



HILLINGDON
LONDON



Cabinet

Date: THURSDAY, 23 JULY 2015

Time: 7.00 PM

Venue: COMMITTEE ROOM 6 -
CIVIC CENTRE, HIGH
STREET, UXBRIDGE UB8
1UW

**Meeting
Details:** Members of the Public and
Press are welcome to attend
this meeting

Councillors in the Cabinet

Ray Puddifoot MBE (Chairman)
Leader of the Council

David Simmonds CBE (Vice-Chairman)
Deputy Leader / Education & Children's Services

Jonathan Bianco
Finance, Property & Business Services

Keith Burrows
Planning, Transportation & Recycling

Philip Corthorne
Social Services, Health & Housing

Douglas Mills
Community, Commerce & Regeneration

Scott Seaman-Digby
Central Services

Published: Wednesday, 15 July 2015

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Attending, reporting and filming of meetings

Residents and the media are welcomed to attend, and if they wish, report on the public part of the meeting. Any individual or organisation may broadcast, record or film proceedings as long as it does not disrupt proceedings. It is recommended to give advance notice to ensure any particular requirements can be met. The Council will provide a seating area for residents/public, an area for the media and high speed WiFi access to all attending.

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Notice

Notice of meeting and any private business

The London Borough of Hillingdon is a modern, transparent Council and through effective Cabinet governance, it seeks to ensure the decisions it takes are done so in public as far as possible. Much of the business on the agenda for this Cabinet meeting will be open to residents, the wider public and media to attend. However, there will be some business to be considered that contains, for example, confidential, commercially sensitive or personal information. Such business is shown in Part 2 of the agenda and is considered in private. Further information on why this is the case can be sought from Democratic Services.

This is formal notice under The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 to confirm that the Cabinet meeting to be held on:

23 July at 7pm in Committee Room 6, Civic Centre, Uxbridge

will be held partly in private and that 28 clear days public notice of this meeting has been given. The reason for this is because the private (Part 2) reports listed on the agenda for the meeting will contain either confidential information or exempt information under Part 1 of Schedule 12A to the Local Government (Access to Information) Act 1985 (as amended) and that the public interest in withholding the information outweighs the public interest in disclosing it. A list of the reports which are expected to be considered at this meeting in both public and private are set out on the agenda, including a number or reason why a particular decision will be taken in private under the categories set out below:

- (1) information relating to any individual
- (2) information which is likely to reveal the identity of an individual
- (3) information relating to the financial or business affairs of any particular person (including the authority holding that information)
- (4) information relating to any consultations or negotiations, or contemplated consultations or negotiations, in connection with any labour relations matter arising between the authority or a Minister of the Crown and employees of, or office holders under, the authority.
- (5) Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.
- (6) Information which reveals that the authority proposes (a) to give under any enactment a notice under or by virtue of which requirements are imposed on a person; or (b) to make an order or direction under any enactment.
- (7) Information relating to any action taken or to be taken in connection with the prevention, investigation or prosecution of crime.

Notice of any urgent business

To ensure greater transparency in decision-making, 28 clear days public notice of the decisions to be made both in public and private has been given for these agenda items.

Notice of any representations received

No representations from the public have been received regarding this meeting.

Date notice issued and of agenda publication

15 July 2015
London Borough of Hillingdon

Agenda

- 1 Apologies for Absence
- 2 Declarations of Interest in matters before this meeting
- 3 To approve the minutes of the last Cabinet meeting 1 - 8
- 4 To confirm that the items of business marked Part 1 will be considered in public and that the items of business marked Part 2 in private

Cabinet Reports - Part 1 (Public)

- 5 Corporate Services & Partnerships Policy Overview Committee - Review into Tackling Social Housing Fraud (Cllr Ray Puddifoot MBE) 9 - 28
- 6 School Improvement Plan (Cllr David Simmonds CBE) 29 - 44
- 7 Licensing of Two Storey Houses in Multiple Occupation (Cllr Philip Corthorne) 45 - 66
- 8 Council Budget Monthly Monitoring Report - Month 2 (Cllr Jonathan Bianco) 67 - 112
- 9 School Capital Programme Update (Cllr David Simmonds CBE & Cllr Jonathan Bianco) 113 - 124

Cabinet Reports - Part 2 (Private and Not for Publication)

- 10** Academy Conversion - Hillingdon Tuition Centre 125 - 130
(Cllr Jonathan Bianco)

The report listed above in Part 2 is not made public because it contains exempt information under Part 1 of Schedule 12A to the Local Government (Access to Information) Act 1985 (as amended) and that the public interest in withholding the information outweighs the public interest in disclosing it.

- 11** Any other items the Chairman agrees are relevant or urgent

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Minutes

Cabinet

Thursday, 18 June 2015

Meeting held at Committee Room 5 - Civic Centre,
High Street, Uxbridge UB8 1UW



HILLINGDON
LONDON

Published on: 19 June 2015

Decisions come into effect on: from 26 June 2015 *

Cabinet Members Present:

Ray Puddifoot MBE (Chairman)
David Simmonds CBE (Vice-Chairman)
Douglas Mills
Jonathan Bianco
Scott Seaman-Digby
Keith Burrows
Philip Corthorne

Other Members present:

Susan O'Brien (ex-officio Member of the Cabinet)
Beulah East
Brian Crowe
Edward Lavery
Henry Higgins
Jan Sweeting
John Hensley
John Oswell
John Riley
Mo Khursheed
Neil Fyfe
Wayne Bridges

1. APOLOGIES FOR ABSENCE

All Members were present.

2. DECLARATIONS OF INTEREST IN MATTERS BEFORE THIS MEETING

No interests were declared by Members present.

3. TO APPROVE THE MINUTES OF THE LAST CABINET MEETING

The minutes and decisions of the Cabinet meeting held on 21 May 2015 were agreed as a correct record.

4. TO CONFIRM THAT THE ITEMS OF BUSINESS MARKED PART 1 WILL BE CONSIDERED IN PUBLIC AND THAT THE ITEMS OF BUSINESS MARKED PART 2 IN PRIVATE

This was confirmed.

Before the start of Cabinet business, the Leader of the Council led congratulations, on behalf of the Council, to Councillor David Simmonds who had been awarded a CBE for services to local government, families and children.

5. COUNCIL BUDGET - REVENUE AND CAPITAL BUDGET OUTTURN 2014/15

RESOLVED:

That the Cabinet:

- 1. Note the outturn budget position for revenue and capital as at March 2015.**
- 2. Note the treasury management update as at 31 March 2015 at Appendix E.**
- 3. Continue the delegated authority up until the 23 July 2015 Cabinet meeting to the Chief Executive to approve any consultancy and agency assignments over £50k, with final sign-off of any assignments made by the Leader of the Council. Cabinet are also asked to note those consultancy and agency assignments over £50k approved under delegated authority between the 23 April 2015 and 21 May 2015 Cabinet meetings, detailed at Appendix F.**
- 4. Approves the release of £24,240k 2014/15 contingency budgets to fund service pressures within Directorate Operating Budgets as set out in table 5.**
- 5. Approves the rephasing of £12,263k General Fund capital and £6,091k HRA capital budgets as outlined in Appendix D to this report.**
- 6. Approve the acceptance of the following grants and external contributions, for inclusion in the Council's 2015/16 Budgets:**
 - a) £31k Department for Education SEND Preparation for Employment Grant to Adult Social Care Budgets;**
 - b) £40k Department for Communities and Local Government / Department of Health Helping People Home Grant to Adult Social Care Budgets;**
 - c) £100k Transport for London Bridge Assessment and Strengthening Programme funding to Residents Services Budgets.**
- 7. Ratifies the decisions made by the Corporate Director of Finance, in full consultation with the Leader of the Council, as set out in Appendix G, which were taken since the 23 April Cabinet meeting under interim delegated authority.**
- 8. Awards £25,000 to Uxbridge College, from the Small Grants element of the Voluntary Sector Grants budget, to assist in the provision of a new small business support service.**
- 9. Notes Community Safety grants authorised by the Cabinet Member for Community, Commerce and Regeneration to the Hillingdon Metropolitan Police Service for a variety of activities to strengthen community safety in the Borough as detailed in Appendix H.**

Reason for decision

Cabinet welcomed the Council's 2014/15 revenue & capital outturn position demonstrating how the Council had managed its resources well during the last financial year. Cabinet agreed to re-phase capital resources to planned expenditure in cases where agreed and where planned expenditure had fallen within different financial years.

Additional decisions were made by Cabinet, including the acceptance from, and issuing of grants to, outside organisations. The Leader of the Council noted how other local authorities had closed services during the year, whilst Hillingdon had invested more in them. Furthermore, the Deputy Leader of the Council gave remarks about the substantial investment the Council had made to increase capacity in the operation of children's services to continue to put children and families first, and which ultimately had been achieved due to the strong financial position of the Council.

Alternative options considered and rejected

None.

Officer to action:

Paul Whaymand, Finance Directorate

Classification: Public

The report relating to this decision by the Cabinet is available to view on the Council's website or by visiting the Civic Centre, Uxbridge.

6. PLANNING OBLIGATIONS - QUARTERLY FINANCIAL MONITORING REPORT

RESOLVED:

That the Cabinet notes the updated financial information.

Reasons for decision

Cabinet noted the report which detailed the financial planning obligations held by the Council and what progress had, and was, being made.

Alternative options considered and rejected

To not report to Cabinet. However, Cabinet believed it was an example of good practice to monitor income and expenditure against specific planning agreements.

Officer to action:

Nicola Wyatt, Residents Services

Classification: Public

The report relating to this decision by the Cabinet is available to view on the Council's website or by visiting the Civic Centre, Uxbridge.

7. SCHOOL CAPITAL PROGRAMME UPDATE

RESOLVED:

That Cabinet:

- 1. Note the progress made with primary and secondary school expansions, the school condition programme and other school capital projects.**
- 2. Delegate to the Leader of the Council and Cabinet Member for Finance, Property and Business Services, in consultation with Deputy Chief Executive and Corporate Director of Residents Services, the authority to award a contract for specialist kitchen design and installation and construction works at Harefield Infant School, Frithwood Primary School and Harlyn Primary School.**
- 3. Accept additional grant funding of £715k from the Education Funding Agency towards the implementation of the Universal Infant Free School Meals initiative at schools across the Borough.**

Reasons for decision

Cabinet received its monthly update, tracking progress on London's largest school building programme which would invest over £300m in new local education facilities by 2020. This would ensure that every child in the London Borough of Hillingdon would have a quality place at a local school. Cabinet approved the necessary delegated authority to progress some building works in relation to school kitchens following the receipt of grant funding.

The Cabinet Member for Community, Commerce and Regeneration broke to Members present the historical context to education provision in Uxbridge and the wider Borough.

Alternative options considered and rejected

None.

Officer to action:

Bobby Finch, Residents Services

Classification: Public

The report relating to this decision by the Cabinet is available to view on the Council's website or by visiting the Civic Centre, Uxbridge.

8. GRANT OF A LEASE TO OCCUPY WORKSHOP AND YARD ACCOMMODATION AT HARLINGTON ROAD DEPOT

RESOLVED:

That the Cabinet authorises the grant of a 5 year lease to Riverside Truck Rental Limited for a workshop and yard with the right to locate a portacabin in the yard at Harlington Road Depot with an option to terminate concurrently with the Commercial Contract as detailed in this report and instructs Legal Services to complete the appropriate lease documentation.

Reasons for decision

Cabinet agreed a lease with Riverside Truck Rental Limited to provide vehicle and plant inspection, servicing, maintenance and repair to the Council's fleet of vehicles in allocated accommodation at Harlington Road Depot.

Alternative options considered and rejected

None.

Officer to action:

Susan Williams-Joseph, Residents Services

Classification: Private

Whilst the Cabinet's decisions above are always made public, the officer report relating to this matter is not because it was considered in the private part of the meeting and contained information relating to the financial or business affairs of any particular person (including the Authority holding that information) and the public interest in withholding the information outweighed the public interest in disclosing it (exempt information under paragraph 3 of Part 1 of Schedule 12A to the Local Government (Access to Information) Act 1985 as amended.

9. CONTRACT EXTENSION: ENVIRONMENTAL ENFORCEMENT SERVICE

RESOLVED:

That Cabinet

- 1. Approves the extension of the contract for the provision of Environmental Enforcement Service with NSL Limited for one year with effect from 13th August 2015 and;**
- 2. Agrees to withdraw the exempt nature of relevant parts of the report as determined by the Deputy Chief Executive and Corporate Director of Residents Services, solely for the Council to use to provide public information about this initiative and related purposes.**

Reasons for decision

Cabinet agreed to extend the current contract for a further one year period. It was noted that NSL provided patrols to areas of the Borough identified in conjunction with the Council, which are prone to the various types of anti-social behaviour, issuing fixed penalty notices and providing a service which helps keep the Borough clean and safe.

Alternative options considered and rejected

Cabinet could have decided not to extend the contract or go out to tender. It was noted, however, that the current service had been well received by residents.

Officer to action:

Nigel Dicker, Residents Services

Ed Shaylor, Residents Services

Classification: Private

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10. CONTRACT AWARD: CLEANING SERVICE FOR THE CIVIC CENTRE AND OTHER HILLINGDON PROPERTIES

RESOLVED:

The Cabinet awards a contract to Churchill Contract Services Limited to deliver the cleaning and portering provision at the Council's Civic Centre and other corporate properties for 3 years with the possibility to extend by a further 2 years.

Reasons for decision

Cabinet accepted the most economically advantageous tender and awarded a contract for the cleaning provision at the Council's Civic Centre and other corporate properties.

It was welcomed that the contract would provide savings to the taxpayer and Cabinet noted that this service would include full cleaning and portage across a wide range of facilities, including Adult Learning Centres, Early Years Centres, Day Centres and libraries, the Borough's Arts venues and some residential properties.

Alternatives considered and rejected

Cabinet could have chosen an alternative supplier or instructed officers to re-tender.

Officers to action:

Perry Scott, Finance / Residents Services
Michael Breen, Finance

Classification: Private

Whilst the Cabinet's decisions above are always made public, the officer report relating to this matter is not because it was considered in the private part of the meeting and contained information relating to individuals, information that could reveal the identity of individuals and the financial or business affairs of any particular person (including the Authority holding that information) and the public interest in withholding the information outweighed the public interest in disclosing it (exempt information under paragraphs 1,2 & 3 of Part 1 of Schedule 12A to the Local Government (Access to Information) Act 1985 as amended.

11. SUPPORTED HOUSING PROGRAMME

RESOLVED:

That the Cabinet

- 1. Appoint specialist cost consultant Philip Pank Partnership, and specialist design consultants Hunters for professional, technical and construction services, for the fees as set out in this report, in order to carry out the tasks necessary to prepare full proposals and deliver Grassy Meadow and Dementia Resource Centre (Option 5), and Parkview (Option 1) extra care housing schemes to completion.**
- 2. Approve the estimated budget for these two schemes within the Supported Housing programme and the General Fund Capital Programme for the Dementia Centre, to take into account the recommended number and size of flats, and project costs as set out in the report.**
- 3. Delegate all future decisions regarding these projects to the Leader of Council and the Cabinet Member for Finance, Property and Business Services, in conjunction with the Deputy Chief Executive and Corporate Director of Residents Services.**

Reasons for decision

Cabinet agreed to progress the re-development of the former Grassy Meadow Day Centre in Hayes & the former Parkview Day Centre in Yiewsley as new sites for Extra Care Supported Housing. Cabinet particularly welcomed the plans for a new Dementia Resource Centre at Grassy Meadow.

Alternative options considered and rejected

Cabinet had considered other options including general housing or disposal either privately or to a Registered Provider. However, these were discounted because Cabinet was of the view that supported housing offered the best value solution for these two particular sites.

Officers to action:

Perry Scott, Residents Services
Michael Naughton, Resident Services

Classification: Private

Whilst the Cabinet's decisions above are always made public, the officer report relating to this matter is not because it was considered in the private part of the meeting and contained information relating to the financial or business affairs of any particular person (including the Authority holding that information) and the public interest in withholding the information outweighed the public interest in disclosing it (exempt information under paragraph 3 of Part 1 of Schedule 12A to the Local Government (Access to Information) Act 1985 as amended).

12. ANY OTHER ITEMS THE CHAIRMAN AGREES ARE RELEVANT OR URGENT

No additional items were considered by the Cabinet.

The meeting closed at 7:26pm

*** IMPORTANT INFORMATION**

Implementation of the decisions (for officers only)

Meeting after Cabinet, the Executive Scrutiny Committee did not call-in any of the Cabinet's decisions. These can therefore be implemented from 5pm, Friday 26 June 2015. Officers to action the decisions are indicated in the minutes.

Agenda Item 5

CORPORATE SERVICES & PARTNERSHIPS POLICY OVERVIEW COMMITTEE: *REVIEW INTO TACKLING SOCIAL HOUSING FRAUD*

Cabinet Member	Councillor Ray Puddifoot MBE
Cabinet Portfolio	Leader of the Council
Officer Contact	Khalid Ahmed, Administration Directorate
Papers with report	Corporate Services & Partnerships Policy Overview Committee review into Tackling Social Housing Fraud

HEADLINE INFORMATION

Purpose of report	To receive the Corporate Services & Partnerships Policy Overview Committee's review into tackling Social Housing Fraud and to give consideration to the recommendations of the review.
Contribution to our plans and strategies	Putting Our Residents first; <i>Our People</i>
Financial Cost	None
Relevant Policy Overview Committee	Corporate Services & Partnerships
Ward(s) affected	All

RECOMMENDATIONS

That Cabinet welcomes the Committee's findings from their review into tackling Social Housing Fraud and agree the following recommendations from the Committee:

Policy Overview Committee Recommendations

- (1) That the Corporate Fraud Investigations Team be congratulated for the work they have carried out in relation to the detection of Social Housing Fraud and for the reclaiming of housing resources for residents of the Borough.
- (2) That officers be asked to approach other Registered Social Landlords (Housing Associations) which provide social housing for residents of the Borough to enable investigations to take place into any potential Social Housing Fraud.
- (3) That officers be asked to investigate those measures which were raised during the review to make unsuspecting sub-letters aware if they were about to rent a social housing property.
- (4) That consideration be given to the Council applying for Compensation Orders when people are convicted of Social Housing Fraud, to enable compensation to be paid to the victims of this crime.

- (5) That officers be asked to consider witnesses counter-signing tenancy agreements for social housing tenants and to send annual reminders to tenants explaining their responsibilities under their tenancy agreements.
- (6) That training is offered by Council officers to local Magistrates on the complexities involved in social housing and on the issues which local authorities face as social housing landlords.
- (7) That officers be asked to include a Social Housing Fraud Policy within the Council's Anti-Fraud Strategies and Policies.

Reasons for recommendations

The recommendations of the review will enable the Council to improve the detection of social housing fraud which will save the Council money and recover social housing accommodation for those in most need.

Alternative options considered / risk management

The Cabinet could decide to reject some or all of the Committee's recommendations.

Supporting Information

The Council's Corporate Complaints Procedure

1. The aim of the Committee's review was to examine the work which this Council carries out in relation to the detection of social housing fraud and to investigate other measures which could be used to save this Council money and to recover social housing which was being fraudulently used.
2. The Terms of Reference of the review were as follows:-
 - I. To review the current extent of Social Housing Fraud within the Borough.
 - II. To assess the legislative framework which has been set up to tackle the problem of Social Housing Fraud.
 - III. To examine the initiatives which the Corporate Fraud Investigation Team is involved in to tackle Social Housing Fraud.
 - IV. To assess the cost benefits to the Council of the detection of Social Housing Fraud.
 - V. To examine the joint working which takes place between the relevant agencies and Council services to ensure early detection of Social Housing Fraud.
 - VI. To examine best practice either in the private or public sector which could be used by this Council.
 - VII. To report to Cabinet on any recommendations which arise out of the review. .

Officer Comments on Recommendations where relevant

Following the Committee's review, officers advise Cabinet that the Committee has made some positive recommendations to take forward and would support their implementation as set out below.

Recommendation 2:

The Committee asked that the Corporate Fraud Investigations Team build on their current success of identifying Social Housing Fraud within the Council Housing Stock and offer their services to Registered Social Landlords (RSLs) (Housing Associations) within the Borough.

The Committee was informed that one Registered Social Landlord called A2, had already been approached who had 1171 properties within Hillingdon. The Corporate Fraud Investigation Team would be data matching their records and working with them to investigate cases where there appeared to be an identified risk of fraud. The bonus for the Council would be that A2 had agreed that any properties recovered would be offered back to Hillingdon to let.

Further work could be carried out with other RSLs to promote the work of the Corporate Fraud Investigation Team and promote this new partnership approach to combating Housing Fraud. The more properties recovered would help reduce the associated costs of temporary accommodation and reduce the numbers on the waiting list and help those in most need of accommodation.

Recommendation 3:

The Committee was provided with details of examples of where people who had unsuspectingly rented social housing. These people were often the innocent victims of social housing fraud.

The Committee was provided with case study examples of investigations which had taken place and the detail and work which was carried out by officers to undercover fraud. Discussion during the review took place on possible measures which could be introduced by the Council to make unsuspecting sub-letters aware that they were in fact renting social housing.

These included looking at means of subtly branding social housing to enable unsuspecting sub-letters to know that the property was Council owned. This could be in the form of a sticker which could be placed on a utility appliance when an annual gas inspection for example has taken place.

Reference was made to the Council providing a list of social housing property within the Borough for the benefit of letting agents, estate agents and the general public. This could be a verification check for people looking to rent property within the Borough and could prevent the unsuspected sub-letting tenant.

Victims of sub-letting were given professional support and advice from the Council's Housing Options Team to enable them to find suitable accommodation. However, it was acknowledged that these people were more often than not, the innocent victims of Social Housing Fraud and often ended up losing vast amounts of money.

Recommendation 4:

Officers were asked to investigate whether the Council could apply for Compensation Orders against those people convicted of Social Housing Fraud which would enable compensation to be paid to the sub-letter, if they had been the victim of the crime.

The Council's Deputy Principal Lawyer for Housing has advised that when a defendant is convicted of an offence the Magistrates can make a compensation order when passing sentence. The order is intended to make the defendant compensate the victim of the

crime. A compensation order can either be a sentence in its own right or more commonly an additional part of the overall sentence.

Recommendation 5:

Social Housing Tenants have to sign a tenancy agreement when occupying social housing. When signing this agreement tenants should be made aware of the rules of their tenancy, of which sub-letting any part of their accommodation without the permission of their landlord is in contravention of that agreement.

Reference was made to the terms and conditions of tenancy agreements and the requirement for these to be clearly and concisely communicated to tenants. There was a need for the "dos and don'ts" of renting social housing, to be clearly and regularly communicated to tenants. This would re-enforce the Council's case, should a social fraud case come before the Courts.

Consideration could be given to tenancy agreements being countersigned to ensure that social housing tenants were aware of their tenancy legal obligations. A witness countersigning this would strengthen the Council's position in terms of communication of the terms of a tenancy agreement and would help in possible court proceedings.

Officers would investigate the feasibility of this and other measures which could be used to re-enforce tenant's responsibilities under tenancy agreements.

Recommendation 6:

The Council's Deputy Principal Lawyer for Housing explained to the Committee that it was important for magistrates to understand fully the complexity of social housing and the issues which confronted local authorities as social housing landlords. This training could be helpful for the Council in terms of providing a greater understanding around this area. Officers would write to the magistrates' courts offering training.

Recommendation 7:

The Council's Anti-Fraud Strategies and Policies were in the process of being updated and the inclusion of a specific Social Housing Fraud Policy within this would provide a stronger legal framework for the Council to prevent, identify and address social housing fraud with the Council's social housing stock.

Financial Implications

This report sets out the work that has been successfully carried out by the Corporate Fraud Investigations team,

Compensation could be funded from Compensation Order receipts collected from successful prosecutions at no further cost to council budgets.

Existing resources within the Fraud Investigations teams could be utilised to provide training to magistrates.

EFFECT ON RESIDENTS, SERVICE USERS & COMMUNITIES

What will be the effect of the recommendations?

To prevent social housing fraud which will ensure that social housing is provided for those in most need.

Consultation Carried Out or Required

None Required.

CORPORATE IMPLICATIONS

Corporate Finance

Corporate Finance has reviewed this report and concurs with the financial implications set out above, noting recommendations can be contained within existing resources. Corporate Finance further notes that training, if provided to magistrates as discussed in the body of the report, will be provided on a broadly cost neutral basis. Furthermore, compensation payments payable to victims of Social Housing Fraud will be funded from Compensation Order receipts.

Legal

There are no specific legal issues with endorsing recommendations 1-7 of the Policy Overview Committee, concerning the review into tackling Social Housing Fraud. Such a review falls within the terms of reference of this Committee.

Legal Services have been involved in advising the Corporate Fraud Investigation Team and will continue to do so in order to properly implement those recommendations that require legal input.

In terms of the payment of compensation to victims of the criminal offence of unlawful subletting (recommendation 4), Compensation Orders are available to the Magistrates' Court as a sentencing option on conviction and the amount ordered must be paid by the Defendant. The Legal Representative would need to be provided with details of the loss to the victim in advance of the sentencing hearing in order to make representations to the Court.

In terms of the introduction of new Social Housing Fraud Policy (recommendation 7), Members should note that paragraph 7.08 of the Council's Constitution specifies that this will need to be referred to Cabinet for final decision.

BACKGROUND PAPERS

NIL

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Tackling Social Housing Fraud



Corporate Services & Partnerships Policy Overview Committee Review 2014/15

Members of the Committee

Richard Lewis (Chairman)

Richard Mills (Vice-Chairman)

Wayne Bridges

Tony Burles

Nick Denys

Narinder Garg

Raymond Graham

Carol Melvin

Robin Sansarpuri

Contents

Chairman's Foreword	Page 3
Recommendations	Page 4
Background	Page 5
Summary of Evidence	Page 7



CHAIRMAN'S FOREWORD

Social housing fraud is a menace carried out by a very small proportion of the Council's tenants, either through ignorance or greed.

The nett effect is to deprive decent Council housing to deserving residents in a timely manner, to cost Hillingdon money in providing Bed & Breakfast accommodation to unhoused tenants and conning unsuspecting sub-tenants out of deposits and their home when they are correctly taken back in to Council housing stock.

This review was extremely interesting in part due to the contagious energy and enthusiasm of Corporate Fraud Team officers to locate, investigate and in some cases to prosecute tenants carrying out social housing fraud.

Acting as an external auditor of the work being carried out, the Committee was able to add to the officer team's strategy and make the significant recommendations to Cabinet contained within the attached report.

I would like to thank in particular Garry Coote, Niamh Hall, Debbie Leather and Sarah Glazebrook for not only giving evidence to the Committee but also for their work ethic, perseverance and determination to help both the Council and our residence to ensure that our tenants are correctly housed.

My thanks also go to the Committee members and to Khalid Ahmed for so ably supporting the review and putting the attached report together.

A handwritten signature in blue ink that reads "R. Lewis".

Councillor Richard Lewis
Chairman of the Corporate Services & Partnerships Policy Overview Committee

RECOMMENDATIONS

That Cabinet welcomes the Committee's findings from their review into Social Housing Fraud and agree the following recommendations from the Committee:

- 1. That the Corporate Fraud Investigations Team be congratulated for the work they have carried out in relation to the detection of Social Housing Fraud and for the reclaiming of housing resources for residents of the Borough.**
- 2. That officers be asked to approach other Registered Social Landlords (Housing Associations) which provide social housing for residents of the Borough to enable investigations to take place into any potential social housing fraud.**
- 3. That officers be asked to investigate those measures which were raised during the review to make unsuspecting sub-letters aware if they were about to rent a social housing property.**
- 4. That consideration be given to the Council applying for Compensation Orders when people are convicted of Social Housing Fraud, to enable compensation to be paid to the victims of this crime.**
- 5. That officers be asked to consider witnesses counter-signing tenancy agreements for social housing tenants and to send annual reminders to tenants explaining their responsibilities under their tenancy agreement.**
- 6. That training is offered by Council officers to local Magistrates on the complexities involved in social housing and on the issues which local authorities face as social housing landlords.**
- 7. That officers be asked to include a Social Housing Fraud Policy within the Council's Anti-Fraud Strategies and Policies.**

Background to the Review

The aim of the review was to examine the work which this Council carries out in relation to the detection of social housing fraud and to investigate other measures which could be used to save this Council money and to recover social housing which was being fraudulently used.

What is tenancy fraud?

Tenancy fraud presents a significant challenge to providers of social housing. Preventing the fraudulent misuse of socially rented properties is a priority for local authorities and housing associations alike, but concerns about where to start and how to make an impact without unnecessary expense can be a challenge.

Tenancy fraud refers to a situation where a tenant has breached certain terms of their tenancy agreement. Tenancy fraud generally falls into three categories:

1. Not using the property as the 'sole or principal home'. This includes
 - Abandoning the property
 - Succeeding to or assigning the tenancy, without the landlord's permission, after the legal tenant has moved out or died
 - Unlawfully subletting the entire property
2. Attempting to obtain a property using false statements, for example falsely claiming to be homeless.
3. Attempting to obtain a property by using false documents, for example, using a forged passport or claiming to be someone else in order to access social housing.

Why do we need to tackle tenancy fraud?

The Committee was informed that nationally with upwards of almost 1.7 million households on the waiting list for social housing and around 250,000 social households officially classed as overcrowded, social housing fraud needed to be addressed.

Many social landlords, including this Council, are increasing their efforts to stop fraud in their housing stock, and as a result more social homes have been recovered in order to revert them to their proper use. Whilst this progress is encouraging, the Government wants local authorities to do more to prevent and stop social housing fraud. The review undertook to look at the work which this Council's Corporate Fraud Investigation Team was already doing and making suggestions which would boost detection rates or provide preventative measures to reduce fraud in this area.

When properties are used fraudulently, either sublet to unauthorised tenants, or left empty, it means that the housing provider has little or no control in terms of managing the property. If a landlord is unaware of who is living in their property, they jeopardise their ability to respond effectively to cases of anti-social behaviour, repairs issues and general neighbourhood sustainability.

Social housing is a public asset and ensuring that it is used appropriately is the responsibility of all housing providers. The fraudulent misuse of social housing is not only a waste of an important resource but it prevents landlords from offering suitable accommodation to those in most need.

Recovering a property lost to tenancy fraud means it can be re-let to another household, providing a secure home for a family.

Regulatory Framework

In response to this increasing problem, the Government introduced the Prevention of Social Housing Fraud Act and made almost £10m available to tackle the issue.

This legislation had seen tenancy fraud become a criminal matter and local authorities have the power to prosecute those who unlawfully sublet their social housing.

The Act applies to social housing tenants and introduces two new criminal offences. Firstly, where the tenant sublets or parts with possession of a property or ceases to occupy knowing that it is a breach of tenancy. The second, more serious offence is where a tenant dishonestly, in breach of tenancy, sublets without consent and ceases to occupy the property as their only or principal home.

The first offence only requires knowledge that the tenant sublet their home in breach of their tenancy agreement, the second requires proof this was done dishonestly.

The maximum penalty for the first offence is a fine of up to £5,000. The second, more serious, offence is punishable by a jail sentence of up to 2 years and/or a fine of up to £50,000. The Court also has the power to make "unlawful profit orders" that require the tenant to pay back any profits "the court considers appropriate".

In addition, local authorities have been given more powers to investigate social tenancy fraud by enabling better access to data from banks, building societies, telecoms companies and utility companies.

What is happening in Hillingdon?

The Council's Social Housing Fraud Project commenced in October 2010 and since the commencement of the project, some 190 properties had now been recovered and would be let to people with a genuine housing need.

The Committee was informed that the Audit Commission, in their report 'Protecting the Public Purse 2014' estimated that nationally it costs councils on average £18,000 a year for each family placed in temporary accommodation. Working on this basis, the savings to date for the recovery of the 190 properties has provided a saving to the Council of £3.4m.

Evidence Gathering

The Committee undertook a series of witness sessions which involved receiving evidence from the following witnesses:-

- Garry Coote - LBH Corporate Fraud Investigations Manager
- Niamh Hall - LBH Investigator - Corporate Fraud Investigation Team
- Debbie Leather - LBH Investigator - Corporate Fraud Investigation Team
- Sarah Glazebrook - Deputy Principal Lawyer - Housing

A summary of the evidence

The Team

The Corporate Fraud Investigation Team currently comprised of two full time Housing Investigation Officer Posts, one part-time Visiting Officer, administrative support and the Corporate Fraud Investigator Manager.

The Committee was informed that the Team met every week to review cases and to agree the appropriate course of action. The Team was provided with legal advice from the Deputy Principal Lawyer for Housing. This legal advice was vital in terms of making decisions on whether to progress further with investigations.

Current work

The Committee was provided with an update on the current work which the Team was involved in. Reference was made to the work which was taking place with a credit reference agency (Experian) to data match all Hillingdon's housing tenancy records with credit reference data. These matches would identify if tenants were linked to another address other than their Council property, if they had a mortgage for a different address, or if there were people other than the registered tenants living at the property.

From August 2014 Corporate Fraud Officers had been working with Housing Needs reception staff to carry out enhanced checks and verification of people's homeless status. This work had ensured resources had only been allocated to residents with a genuine housing need.

Reference was made to other projects which included a bungalow project whereby 520 had been visited, and 5 had come back as being non-occupation. Tower blocks within the Borough would also be an area which would be investigated.

Investigations

The Committee was informed that the Team received referrals from the Council's Fraud hotline and from a variety of sources both within the Council, and outside the Council such as from Council contractors. Examples were given whereby contractors who were working on behalf of the Council making the Team aware if there had been suspicions regarding the occupants of a property.

Records were checked against the electoral register, Council Tax and Housing Benefit records. The Committee was informed that investigators made varied visits to check occupants of social housing and these visits took place at anytime during the day, evening and at weekends. The Team worked flexible hours to enable visits to be made to homes when occupants were likely to be at home, which proved the exceptional commitment of the Team.

The Committee was provided with examples of the meticulous detail which the investigators went to in terms of their investigations and in the majority of cases the actions of officers would be enough to either close cases because no further action was required, or to take the matter further.

An example of one case where the property was recovered was initiated by a phone call from a housing tenant who was suspicious about the new residents at the property next door. On investigation it was found that the property had been advertised for private rental on Gumtree for £750 a month. The person who had rented the flat was unaware that it was a Council property and was an innocent victim of the sub-letting fraud. The property has now been re-let to a person in genuine housing need and the original tenant is being prosecuted.

The Committee was informed that after three visits, investigations would be stepped up. There would be more IT checks and tenants could possibly be invited into the Council offices for an informal meeting. At this meeting, a tenant would be informed that housing fraud was a criminal offence and that a breach of tenancy was a civil offence.

If tenants were adamant that they did live at the property, they would be asked to provide evidence in the form of bank statements, utility usage statements etc. Tenants would be advised to seek independent legal advice and the Council would write a Data Protection Act request to other agencies or local authorities.

The Committee was made aware that once a strong case had been built by the Council, it was hoped at this point that the tenant would hand back the keys to the social housing property.

The Committee was informed that if a case did go to court and trial, investigating officers attended court to provide evidence. If the court case was successful and a bailiff's warrant was obtained, investigation officers would attend the eviction to ensure that the property was ready to hand over to lettings to enable the property to re-house another family.

Use of Social Media and information from other agencies

Officers informed the Committee that the Team used social media as a means of detecting suspected fraud. Investigators used tools such as Facebook, Google searches, 192.com and Gum Tree to investigate potential fraudsters. The Committee was provided with examples of some of the methods which had been used on individual cases.

Liaisons took place with many outside agencies, Citizen Advice Bureaus within prisons, other fraud teams within other local authorities, housing associations, charities etc.

Reference was made to internal liaison which took place within the Council and examples were given of the work which took place with the Education Team, Social Services, Mental Health Team, Anti Social Behaviour Team, Housing Teams and Democratic Services Registrars.

1

That the Corporate Fraud Investigations Team be congratulated for the work they have carried out in relation to the detection of Social Housing Fraud and for the reclaiming of housing resources for residents of the Borough.

Other Initiatives

Throughout the review, the Committee was provided with the details of the work which had been carried out in some of the Council's tower blocks and bungalows. The work on these schemes provided good publicity for the work being done and would also act as a preventative measure for any would be fraudsters.

Reference was made to other areas which the Team could look to build on the Council's current success on Social Housing Fraud and the Committee referred to the Team offering their services to Registered Social Landlords (Housing Associations) within the Borough.

During the review, the Committee was informed that approaches have been made to one Registered Social Landlord, A2, who currently have 1171 properties within Hillingdon. Work was taking place to data match their records and to work with them to investigate cases where there appeared to be an identified risk of fraud.

The Committee noted that there could be an opportunity to recover further properties back to the Council to let. This would be above the Council's normal nominations rights where Hillingdon gets a certain percentage of properties from each Registered Social Landlords.

Moving forward, the Committee asked that the Team arrange to meet with all the other Registered Social Landlords to promote the work of the team and to promote a partnership approach to combat Housing Fraud. The message being that the more properties recovered will help reduce the associated costs of temporary accommodation and reduce the numbers on the waiting list.

Officers made reference to possible work which could take place with hospitals, colleges, universities and officers would look at these areas.

2

That officers be asked to approach other Registered Social Landlords (Housing Associations) which provide social housing for residents of the Borough to enable investigations to take place into any potential social housing fraud.

Sub-Letting

Social Housing accommodation which is unlawfully sublet is classed as tenancy fraud. This was an increasing problem nationally, particularly in the London area. The Committee was informed that there were cases where tenants of sub let social housing, had been unaware that they had been renting a social housing property.

The Committee was provided with case study examples of investigations which had taken place and the detail and work which was carried out by officers to undercover fraud. Discussion took place on possible measures which could be introduced by the Council to make unsuspecting sub-letters aware of social housing properties.

Some of these included:-

- looking at means of subtly branding social housing to enable unsuspecting sub-letters to know that the property was Council owned. This could be in the form of a sticker during an annual inspection of utilities.
- Providing a list of Council properties for letting agents, estate agents and the general public, to enable people to check prior to renting a property, that it was not social housing

The Committee was given assurance that the victims of sub-letting were given professional support and advice from the Council's Housing Options Team to enable them to find suitable accommodation. However, it was acknowledged that these people were more often than not, the innocent victims of Social Housing Fraud and often ended up losing vast amounts of money.

Officers were asked to investigate whether the Council could apply for Compensation Orders against those people convicted of Social Housing Fraud which would enable compensation to be paid to the sub-letter, if they had been the victim of the crime.

3

That officers be asked to investigate those measures which were raised during the review to make unsuspecting sub-letters aware if they were about to rent a social housing property.

4

That consideration be given to the Council applying for Compensation Orders when people are convicted of Social Housing Fraud, to enable compensation to be paid to the victims of this crime.

Promotion and publicity

The Committee was informed that to promote this project the "Blow the whistle on Housing Cheats" poster appeared in every issue of Hillingdon People. This helped to generate calls to the Council's fraud hotline, and all referrals were fully investigated.

Examples of combating social housing fraud were also publicised in Hillingdon People. These articles often described the improved quality of life for Hillingdon residents who have been allocated the tenancy of a recovered property. This generated positive feedback from residents and encouraged reporting of suspected social housing fraud.

One such example which the Committee was provided with was that a one bedroom first floor flat in Hayes was reclaimed after a neighbour notified the Council that the tenant had a dog in the property. The Committee was informed that the Council could not make contact with the tenant and a home visit revealed two subtenants had rented the property after seeing an advert on the classified adverts website Gumtree.

The subtenants were unaware that they had been renting a Council property. The tenant had sublet the property and was receiving a rental income which he was not entitled to. The tenant was jailed for fraudulently claiming more than £25,000 of benefits which he had not been entitled to.

There were also examples given of several cases of housing fraud where the tenant had emigrated from the country and had sublet their Council property. A two bedroom ground floor flat in Hillingdon was investigated after the tenant had failed to pay their rent. Home visits revealed the property was illegally sublet and the tenant was living in America. An eviction warrant was obtained and the subtenants abandoned the property; allowing the Council to recover and re-let the property to someone in genuine housing need.

The Committee noted that the publicity posters asked that the public contact the Council on the 24-hour, confidential and anonymous hotline 0800 389 8313 or email fraud@hillingsdon.gov.uk if they suspected that someone was illegally sub-letting a Council property.

The Committee was informed that the Team was also promoting the social housing fraud work which was taking place at resident's association meetings from April 2015 as part of the forward work programme.

Tenancy Agreements

Members were informed of the difficulties which the local authority had in proving breach of tenancy and dishonest sub-letting, but that it was slightly easier to bring possession proceedings. This was because the Council would be able to include multiple grounds and provide evidence of the practical steps that could be taken by officers to identify and evidence non-occupation / sub-letting cases.

Reference was made to tenants under their tenancy agreements, having the right to take lodgers in their homes, provided they had sought the permission of the local authority. Permission for this was subject to the individual circumstances of the tenant and if the property would not be overcrowded if there was to be a lodger.

The Committee discussed tenancy agreements and were informed by officers that tenancy agreements were not reviewed annually but were reviewed periodically every five years or so. Reference was made to the terms and conditions of tenancy agreements and the requirement for these to be clearly and concisely communicated to tenants.

The need was for the "dos and don'ts" of renting social housing, to be clearly and regularly communicated to tenants. This would re-enforce the Council's case, should a social fraud case come before the Courts.

Discussion took place on possible measures which could be introduced to re-enforce the message and to clearly communicate the terms and conditions of tenancy agreements and it was asked that consideration be given to tenancy agreements being countersigned to ensure that social housing tenants were aware of their tenancy legal obligations. A witness countersigning this would strengthen the Council's position in terms of communication of the terms of a tenancy agreement and would help to prove the case if taken to court.

Also officers were asked to investigate whether literature could be sent out to tenants, included in tenant's annual rent statements which again could reinforce the terms and conditions of social housing tenancy agreements.

5

That officers be asked to consider witnesses counter-signing tenancy agreements for social housing tenants and to send annual reminders to tenants explaining their responsibilities under their tenancy agreements.

Training for Magistrates

During the witness session with the Council's Deputy Principal Lawyer - Housing, the Committee referred to the need for magistrates to understand fully the complexity of social housing and the issues which confronted local authorities as social housing landlords. The Committee was informed that training could be given which would help magistrates during Social Housing Fraud Court Cases.

6

That training is offered by Council officers to local Magistrates on the complexities involved in social housing and on the issues which local authorities face as social housing landlords.

Social Housing Fraud - Council Policy

The Committee was made aware of the policy statement on serious housing fraud which had been agreed by the Leader of the Council and Deputy Chief Executive and Corporate Director for Residents Services in August 214. This had added clarification to the Council's approved Anti- Fraud Strategies and Policies.

In this reference was made to Hillingdon Council having a zero tolerance approach to housing fraud and that the Council undertook a robust programme to detect and investigate housing fraud and applied sanctions and recovery procedures where fraud was identified.

In cases of serious housing fraud, Hillingdon will always consider legal action in the form of prosecutions against offenders and convictions for housing fraud frequently result in significant sentences or financial penalties.

Reference was made to the types of serious housing fraud which could be pursued to prosecution which included:

- Evidence of the presentation of false documents e.g. right to remain in UK documentation, false representation from landlords.
- Evidence of false representation of housing need by the housing applicant - That was if it had been established that the applicant did not have a genuine housing need. This could include failure to disclose alternative available accommodation and therefore the applicant was not homeless and the Council had no duty to provide housing.
- There was evidence that the alleged offence that the offence was planned ie premeditated.
- There was evidence that the alleged offence had been carried out by an organised group.
- Evidence of habitual false information on application forms.
- The housing applicant had previous convictions or cautions which were relevant to the present alleged offence.

The Committee suggested that a more general policy could be developed which could provide a framework for the Council to prevent, identify and address social housing fraud with the Council's social housing stock. Officers were asked to give consideration to including a Social Housing Fraud Policy within the Council's Anti-Fraud Strategies and Policies.

7

That officers be asked to include a Social Housing Fraud Policy within the Council's Anti-Fraud Strategies and Policies.

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SCHOOL IMPROVEMENT PLAN

Cabinet Member	Councillor David Simmonds CBE
Cabinet Portfolio	Deputy Leader of the Council / Education & Children's Services
Officer Contact	Dan Kennedy, Residents Services
Papers with report	Appendix 1 - Draft Hillingdon School Improvement Strategy

1. HEADLINE INFORMATION

Summary	<p>This report presents to Cabinet Hillingdon's draft school improvement strategy which has been developed by a working group of head teachers and the Local Authority. The implementation of the strategy will deliver targeted school-to-school support to raise educational standards. The strategy has been developed to be schools-led and sets out areas for improvement.</p> <p>Schools are developing a Borough-wide implementation plan and they plan to consult with all schools on the draft strategy in September 2015. The proposed role of the Local Authority within school improvement is set out in this report, which includes challenging schools to raise standards where this is required.</p>
Contribution to our plans and strategies	<p>Putting our Residents First: <i>Our People</i></p> <p>This includes ensuring that every child in Hillingdon deserves to have access to a 'good' or better school in the Borough.</p>
Financial Cost	There are no direct financial implications relating to this report.
Relevant Policy Overview Committee	Children, Young People and Learning
Ward(s) affected	All Wards

2. RECOMMENDATION

That Cabinet:

1. Note the action being taken by the Council to work with Hillingdon schools to develop a schools-led improvement strategy and targeted improvement plan;
2. Agrees the proposed role of the Local Authority in school improvement, noting that the final strategy will be reported back to Cabinet later in the year, following further feedback from schools.

3. INFORMATION

School Improvement – Duty Placed on Local Government

1. The general duty for local government to promote high standards of education is set out within the Education Act 1996. The Local Authority has a role in promoting high standards and championing excellence, ensuring fair access to opportunity for education and training and promoting fulfilment of learning potential. For maintained schools the local authority has powers to issue warning notices to schools which are a cause for concern. If a local authority becomes aware of concerns about an academy school, the Department for Education expects the local authority to notify the Regional Schools Commissioner. The general aim is that children should be attending a school which is graded at least 'good' or a school which is improving rapidly.
2. The role of the Local Authority in raising academic standards is changing. Recent announcements from the Department of Education (DfE) has made clear the expectation that standards of education need to rise rapidly in under-performing schools. Schools which fail to improve or where there is evidence of 'coasting' performance may be subject to intervention by the Local Authority or the Regional Schools Commissioner, which could include sponsorship by a higher performing academy school. Further details from the DfE are expected on the changing landscape in due course.

The Local Picture - Summary

3. At the present time (June 2015) the current published Ofsted ratings for the 97 schools in Hillingdon are: 18.5% (18) 'outstanding', 53.5% (52) 'good', 20.5% (20) 'requires improvement' and no schools in the 'inadequate' category. There are 7 schools awaiting inspections (7.5%).
4. For community schools, the Local Authority is undertaking school improvement reviews to identify areas of strength and the need for further improvement to continue to raise standards. These assessments have been positively received by schools and are helping senior school leaders to target their efforts to improve. In addition a number of schools in the Borough are also working closely together to share expertise in 'cluster groups'; individual schools are providing support to other schools on a case by case basis; and teaching schools in the Borough are securing additional funding for schools judged as 'requires improvement'. Since September, three community schools have been subject to intervention action from the Local Authority, which is leading to improvements in these three schools.
5. There is a need to build on existing arrangements for school improvement across the Borough to establish a resilient and stronger collaborative approach to school improvement which ultimately is led by schools, for schools. This direction of travel is consistent with national policy which seeks to establish a self-determining, self-governing education community in each local authority area.
6. Recent announcements from central Government indicate strongly that local authorities need to be taking expeditious action when there are concerns about the performance of a school, including schools which are deemed to be 'coasting' – where progress or attainment is consistently not achieving a set performance threshold.

School Improvement Strategy for Hillingdon

7. To provide a platform for a stronger collaborative approach to school improvement, officers of the Council have been working closely with school leaders to develop a new school improvement strategy, led by and owned by schools in Hillingdon (appendix 1).
8. To this end, officers of the council have worked with leading head teachers from both the primary and secondary sector, and representatives from all teaching schools in the Borough to review the current arrangements for school improvement; discuss the changing role of the Local Authority in school improvement; and delivered a schools-led event in early July 2015 for all Head Teachers and Chairs of Governors to bring schools together to refine the school improvement priorities for Hillingdon.

Vision for School Improvement

9. The school-led vision is for every child in the Borough to be successful and fulfilled learners, reaching their potential and thriving within inspirational and 'outstanding' educational settings.
10. The central aim of the strategy is to ensure that all children, no matter where they live in the Borough and which school or setting they attend are judged by Ofsted to be at least 'good' and which are constantly aspiring to improve to become, and remain, outstanding.
11. The strategy sets out that all schools in Hillingdon will be judged by Ofsted to be at least 'good' by July 2017.

Themes for School Improvement

12. From discussion with schools and from an analysis of Hillingdon's pupil attainment and progress data, the following describes the outline areas for school improvement in Hillingdon:
 - Aspects of leadership, management and governance – including middle management,
 - Targeted interventions for children from disadvantaged groups to raise attainment and narrow the attainment gap, including children looked after,
 - Improving outcomes and practice in the Early Years Foundation Stage (EYFS) – including narrowing the gap compared to London,
 - Narrowing the gap at key stage 4 compared to London,
 - The new curriculum,
 - Assessment without levels,
 - Pupil independence in learning,
 - Challenge in lessons,
 - Feedback and marking,
 - Monitoring and evaluating actions, especially in relation to the school development plan and self-evaluations,
 - Implementing recent changes to special education needs and the curriculum,
 - Building capacity in school leaders (e.g. training and shadowing Head Teachers to review other schools),
 - Mentoring new Head Teachers.

Delivering Improvement – Five Improvement Strands

13. The school improvement strategy will achieve these areas for improvement focusing on five improvement strands:
1. Intelligence and overview
 2. Communication and navigation
 3. Building capacity
 4. Monitoring progress, driving improvement
 5. Challenging underperformance
14. The five strands for improvement are:
- Intelligence and overview - maintaining accurate and meaningful information on all schools in Hillingdon about their school improvement plans and the difference they are making. This will assist to identify schools at risk of falling standards to ensure appropriate support and intervention action is taken in a timely way.
 - Communication and navigation – delivering a clear and consistent source of information for schools to signpost and secure the support they need themselves, direct from providers. The development of the Teaching Schools in Hillingdon will complement this through their dedicated website for school improvement.
 - Building capacity - establishing school improvement networks based on local school improvement priorities and building capacity within good and outstanding schools to be school improvement partners with other Hillingdon schools. This also includes developing the role and capacity of the teaching schools in Hillingdon to underpin improvement.
 - Monitoring progress, driving improvement - all schools are expected to undertake performance monitoring of their improvement, including accurate self-assessments and set clear priorities for improvement each year. For maintained schools, the Local Authority has commissioned school improvement reviews to inform school improvement planning.
 - Challenging underperformance - for those schools which are identified to be a cause for concern, the local authority will intervene. For maintained schools this could include a warning notice. For academy or Free Schools, this could include a notification to the Regional Schools Commissioner.

Hillingdon School Improvement: The Leadership Role of the Local Authority

15. Hillingdon Council recognises that schools are self-managing and autonomous and are, therefore responsible for their own performance improvement. The Local Authority has a key leadership role to play working in partnership with Hillingdon Schools and one which moves away from the traditional role of direct provider of school improvement support. The following summarises the newly defined leadership role the Local Authority will take to raise standards, which includes challenging any school in Hillingdon which is under-performing.
- Intelligence – working in partnership with all schools in Hillingdon to maintain up-to-date information about pupil progress and attainment to identify which schools are at risk of under-performance as well as evaluating what difference intervention programmes are

making. The Local Authority will maintain a register of schools at risk of underperformance, based on the intelligence received, and will use this intelligence to broker support, working with other schools. Information about schools which are a cause for concern and action being taken will be reported to Elected Members.

- Support capacity building – working in partnership with schools, including the teaching schools, the Local Authority will promote a collaborative school improvement model in Hillingdon, to identify common themes for improvement and supporting the development of a school improvement development and training programme, led by schools. The Local Authority will also support the development of shared learning through school networks to create a resilient community of schools in Hillingdon who have the capacity to partner with schools at risk of underperformance.
 - Brokerage – responding rapidly to schools which are at risk of underperformance to broker effective support to address problems as quickly as possible. This includes academy schools where concerns are identified. The Local Authority will not be a direct provider of school improvement support.
 - Challenge and intervention – using the intelligence available to the Local Authority, taking swift action to challenge under-performing schools. If a school is judged as ‘requires improvement’ the Local Authority will act rapidly to review any concerns, discuss the action the school will take in response and request a clear plan for implementation. For community schools, the response from the Local Authority could include issuing a warning notice, and for academy schools this could result in any concerns being escalated to the Regional Schools Commissioner for action.
16. Improving schools most at risk is a priority. There is a need to bring rapid improvement in education for those children attending a school which is judged as requires improvement or at risk of this judgement. At the same time, the Local Authority will work closely with schools to create capacity, collaboration and resilience within the schools network to ensure effective support is in place to prevent future failure in schools. This will help to avoid the Local Authority being asked to take a ‘reactive’ approach to address concerns of school improvement.

Looked After Children

17. There is a need to raise the educational attainment of Hillingdon’s looked after children and narrow the attainment gap between these children and their peers. The Pupil Premium Plus funding which the Council receives for looked after children is targeted to deliver support packages to schools on a case by case basis. A key requirement is to ensure children looked after are supported to remain in a school placement and to deliver support which promotes and realises higher aspirations and achievement. The success of educational support for Hillingdon’s looked after children will be closely monitored through reviews of Personal Education Plans. In some Local Authority areas, the funding for educational support to looked after children is routinely transferred to schools.

Next Steps

18. The draft schools-led improvement strategy is scheduled to be made widely available to schools for their review and comment at the start of the new academic year in September 2015. Head teachers are also working on a structured improvement plan to implement the strategy, which will set out specific targets for improvement (e.g. narrowing the attainment

gap for children from disadvantaged backgrounds) and details of how these targets will be met. The final strategy and improvement plan will be reported back to Cabinet in the Autumn, following comments from schools.

19. Cabinet is asked to agree to the proposed leadership role of the Local Authority within school improvement, summarised above in this paper, and for this to be communicated to schools. This will help to make clear what schools can and cannot expect from the Local Authority, and is consistent with delivering the statutory requirements for school improvement.
20. The role of the Local Authority within school improvement will be kept under review. As issues of performance are addressed in schools, the role of the Regional Schools Commissioner develops and capacity for schools-led improvement in Hillingdon grows, there may be a reduced school improvement role for the Council in the future.
21. Hillingdon schools are developing a targeted improvement plan for the start of the new academic year which will set out what action will be taken and how success will be measured to address the priorities in the draft school improvement strategy.

Financial Implications

22. There are no direct financial implications arising from this report as the proposed role for Hillingdon Council set out above can be met from within existing resources. The development of the schools-led improvement plan will consider what resources are available from both the Council's base budget and the Dedicated Schools Grant to support schools in being or becoming at least 'good'.

4. EFFECT ON RESIDENTS, SERVICE USERS & COMMUNITIES

What will be the effect of the recommendation?

23. High standards of education across Hillingdon schools will enhance the opportunities available to our residents throughout their lives and enable our residents to make a bigger contribution to the economy and society.

Consultation Carried Out or Required

24. The development of a draft school improvement strategy has been undertaken in partnership with a group of head teachers in Hillingdon.

5. CORPORATE IMPLICATIONS

Corporate Finance

25. Corporate Finance has reviewed this report and the recommendation contained therein to develop a school improvement plan in the Borough and concurs with the financial implications above. Corporate Finance further notes that the use of Pupil Premium Plus grant to raise the educational progress and attainment of Hillingdon's looked after children is targeted to deliver support on a needs basis, with recommendations contained within existing resources.

Legal

26. Under the Education Act 1996 (sections 13,13A and 14) the Council has statutory obligations to: ensure that efficient primary, secondary and further education is available to meet the needs of the local population; ensure that its education functions are discharged with a view to promoting high standards; ensure fair access to opportunity for education and learning, and promote the fulfilment of learning potential; and secure that sufficient schools, for providing primary and secondary education, are available for its area.
27. The report sets out steps being taken to develop a school improvement plan for schools in Hillingdon.
28. Under the Council's Constitution, Cabinet has the appropriate powers to agree the recommendation proposed at the outset of this report.

6. BACKGROUND PAPERS

29. NIL.

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DRAFT

Partnership for Success - A Strategy for School Improvement 2015 - 18

Introduction and Vision

This draft strategy has been developed by a group of head teachers working with the Local Authority, to create a stronger, schools-led approach to improvement.

The children of Hillingdon deserve only the best. Our vision is for every child in the Borough to be successful and fulfilled learners, reaching their potential and thriving within inspirational and outstanding educational settings.

The principles that underpin our vision for school improvement are that;

- school improvement systems are most effective when they are based on partnership and collaboration, not power or isolation.
- local solutions, supported by national best practice, are often best placed to drive improvement.
- challenge and support mechanisms across the Borough should be transparent, clearly understood by all and open to interrogation to ensure the greatest impact on outcomes and opportunities for our young people.
- the Council, as a strategic champion for securing the highest standards of education for all young people within the Borough of Hillingdon, will provide appropriate drive and leadership; challenging, brokering and intervening where necessary to address concerns around underperformance.

The purpose of this strategy document is to clearly articulate our vision for education and to explain how we will translate our legal and moral imperatives around school improvement into action.

The central aim of this strategy, which has been developed in consultation and partnership with school leaders and key stakeholders across Hillingdon, is to ensure that all children, no matter where they live in the Borough, access schools and settings that are judged to be at least 'good' and which are constantly aspiring to improve to become, and remain, outstanding.

Our Vision into Action

1. Partnerships for Improvement

Hillingdon is committed to fulfilling all statutory duties around school improvement and to developing, promoting and, in doing so, championing a strong and effective school-led model of improvement.

It is our intention that, by working collaboratively with a wide range of school leaders and partners, and through the early identification of problems or concerns, we can facilitate any support necessary to ensure the resolution of difficulties with the minimum of Council

intervention. We know that schools have the skills, expertise and ability to meet many of their own challenges and we will work in partnership with them to maximise their potential to develop and improve.

We believe that, within our dynamic and diverse national landscape, we must work flexibly and openly with partners from a range of settings and all schools to drive and maintain improvements and we are committed to developing the school-led improvement approach through our strong links and formal partnerships with our local Teaching Schools, executive committees, outstanding school leaders and through our relationship with our Regional Schools Commissioner.

We will utilise a range of existing networks to consult regularly with school leaders across the Borough and will respond to feedback by communicating regularly with leaders and strategic partners.

Our new Schools' Strategic Partnership Board (SSPB) will act as the central leadership forum for school improvement by developing, promoting and quality-assuring our shared school improvement strategy. This key leadership group is strategically aligned with a range of partners in order to best represent the needs and vision of school leaders and their leadership teams across the Borough and to secure accountability for outcomes for children in and from Hillingdon. The SSPB will act as the champion of our Borough-wide school improvement strategy, providing direction, challenge and innovative practice into our school improvement offer as a result of links with the best of our local and national expertise.

2. Five Strands for Success - Our model for school improvement

The over-arching intention of our strategy is to ensure that, by July 2017, standards of progress and attainment across the Borough will:

- Compare favourably against those of our statistical/Borough neighbours – we will aim that all schools are 'good' by July 2017.
- Match rates of improvement in line with the aspirational all-London measure.
- Are in line with national medians for key progress and attainment measures.
- Demonstrate that we are closing the gap rapidly for young people from our most vulnerable groups. Hillingdon will undertake its duties with regard to promoting the highest standards of education for young people in Hillingdon.

We will do this by:

- Retaining an accurate overview of the performance and effectiveness of all schools across the Borough.
- Collaborating with partners to tackle key barriers to school improvement at Borough, phase/setting and individual school level.
- Encouraging head teachers and school leadership teams to set and achieve aspirational targets for all.
- Identifying and challenging underperformance at the earliest stages.
- Sign-posting and, where necessary, brokering appropriate support in a timely and effective manner.
- Intervening without delay where schools require rapid improvement.

The shape of our strategy is captured in our 'Five Strands for Success' which we are committed to delivering across the Borough to ensure robust whole system improvement.



Strand 1: Intelligence and Overview

The purpose of this component is to ensure that there is an accurate and holistic overview of school effectiveness and performance at all times. The overview will encompass maintained and academy/free school data and intelligence, alongside qualitative evaluations from the widest range of school partners.

The overview (in the form of our School Improvement Overview Database – a tool to monitor progress across all schools in Hillingdon) is fundamental to ensuring that, as a local authority and a community of schools and settings, we know our context in detail, in real time and over time. At whole Borough level, themes (including areas of expertise, best practice and the most positive outcomes as well as areas of concern or challenge for our school community) will be identified via these arrangements and will be shared through our links with our strategic partners and the SSPB to shape improvement activities and interventions. The school improvement function within the local authority will also use information and data from the database to inform risk assessment activities at the beginning of each term and, in

some cases, to trigger consideration of placement on the Borough 'schools at risk register' (please see Strand 5: Challenging Under-Performance).

Strand 2: Communication & Navigation to Support

The purpose of this component is to provide a clear and consistent channel for communication and signposting that is accessible to all schools. Alongside the cultivation of positive and trusting relationships with individual schools through school improvement colleagues regular contact with school leaders, an additional range of mechanisms will be used to provide timely updates on important local and national priorities, opportunities and concerns.

The Head teachers' Briefing and the termly School Improvement Update (which is produced in partnership with the SSPB) will provide operational and strategic school improvement headlines and highlight local opportunities for improvement.

The development of the ENHANCE website (led by Teaching School partners and available to all schools) will complement this process, providing a crucial central point of access for a variety of school developmental initiatives and opportunities. Bi-annual school improvement conferences, led by school leaders and running alongside a wide range of other Borough-wide improvement networks (please see Strand 3: Building Capacity) will provide a broad menu of choice for school leaders who have identified their priorities for improvement and would like to work with partners to effect positive change.

In this way, we will ensure that no school or school leader feels isolated or unsupported in the journey to outstanding and that all schools across the Borough are able to access the support that they need, in the way that feels right for them and at the time that it is needed.

Strand 3: Building Capacity for Improvement

The purpose of this element of the strategy is to build capacity for establishing school improvement networks based on local school improvement priorities and building capacity within good and outstanding schools to be school improvement partners with other Hillingdon schools. The themes for the networks will arise from analysis of the school improvement overview database and will be agreed by SSPB. This element also includes developing the role and capacity of the teaching schools in Hillingdon to underpin improvement.

These networks (established and facilitated by school leaders and other appropriate professional colleagues) will provide the opportunity for schools to collaborate beyond traditional partnerships, settings and phase structures and to examine, develop and share best practice in their focus field. The impact of the networks will be measured using our school improvement overview database and will be quality-assured and reported on by the SSPB.

It is anticipated that the vast majority of schools (and in particular those good or outstanding) will choose to contribute to a network and that their experiences will be disseminated to all schools across the Borough regularly. In many cases, the development of networks will allow for the further development of school-to-school support models, where specific areas of focus are identified as critical to the success of a school at risk of underperformance.

The networks will form part of the diverse improvement offer currently available across the Borough and will encourage the engagement of schools with the school improvement themes that impact across our whole school community, as well as their own school.

Strand 4: Monitoring Progress, Driving Improvement

In Hillingdon schools are self-managing and autonomous and are, therefore, responsible for their own performance and improvement. Every school is expected to make an accurate self-evaluation of its performance and provision, and take clear and decisive action to improve any weaknesses this identifies. We recognise that effective self-evaluation is the most important process of school improvement, enabling continued autonomy, self-management and excellence.

However, as part of the core responsibility to secure high standards for the young people of Hillingdon, our school improvement strategy recognises the value that many school leaders place on the external validation of baselines - particularly for schools facing challenge, those undergoing changes of leadership and/or governance and those tackling underperformance or underachievement.

For that reason, the local authority will facilitate the provision of school reviews and data analysis to inform individual school self-evaluation and risk assessment. The school review process may be delivered via an outsourced/commissioned model or via a blended model, using outstanding and current school leaders and Borough resource. Our aim is for all maintained schools in the Borough to access a school review at least once every three years. Academies/free schools will also be given access to a school review mechanism on a basis agreed by SSPB. Intelligence from school reviews will be used to inform individual schools' strengths and weaknesses and will also contribute to the identification of thematic foci.

Strand 5: Challenging Under-Performance

The purpose of this part of the strategy is to outline the processes that will be used to raise concerns with school leaders when an individual school is identified as being at risk.

The Local Authority will maintain a register of schools considered to be at risk. These schools will be identified via the statutory guidance (i.e. Schools Causing Concern) and may also be identified as a result of significant risk indicators within the Borough-wide school improvement overview database.

Placement on the 'schools at risk register' should always result in regular contact with a school and through the provision of support and challenge in a variety of forms. It should be noted that any school judged as 'requires improvement' will automatically be included on the risk register, as will all schools in formal Ofsted categories.

NB. Our strategy recognises that schools judged as 'requires improvement' may be at different points on their journey to improvement and, for that reason, will be sub-categorised:

- **Requires Improvement (RI) (a) = RI but making good progress, with a view to good at next Section 5 Inspection.**
- **Requires Improvement (RI) (b) = RI and not yet making sufficient progress towards 'good'.**

Those schools judged 'good but at risk' (GBAR) will be identified via the school improvement overview database and will always be contacted to discuss their placement on the school improvement risk register.

For consistency and transparency, however, the general guidelines below will be followed although it should be noted that all actions will be taken with careful and professional consideration of each school's individual context and that the guidance below is neither linear nor exhaustive:

'Good, But At Risk' (GBAR): Support and challenge visit by named Local Authority representative. Monitoring of progress against improvement plans. Brokerage of additional support where needed. Mitigation plan requested where indicators suggest lack of progress. Liaison with governance support colleagues. Warning notices or use of intervention powers as required.

Requires Improvement (RI) (a): Borough monitoring meeting with named Local Authority representative. Check-ins via email/telephone. Monitoring of impact of support as necessary. Warning Notices or use of intervention powers as required.

Requires Improvement (RI) (b): Borough challenge meetings with lead for school improvement as required. Leadership and rapid improvement plans in place and monitored as required, no less than every half-term. Brokerage of support via improvement partners including Teaching Schools, Local Leaders in Education / National Leaders in Education (LLE/NLE) networks, Executive leadership groups. Warning notices or use of intervention powers as required. Exploration of alternative routes to improvement, including academisation via sponsorship as required and in line with current educational direction.

Ofsted Category (Inadequate): As above – intervention action.

In accordance with our commitment to local improvement and effective school-to-school solutions, in most cases the Local Authority will seek to galvanise support for schools facing challenge from within our Teaching Schools, Local Leaders in Education / National Leaders in Education (LLE/NLE) and Executive Head Teacher networks. However, when appropriate school to school support is needed particularly rapidly and where capacity within our local and school-led network for school improvement is limited, it may be necessary for the Borough to deploy advice and intervention support quickly. Where this occurs, the aim will usually be to agree local school-to-school support as soon as is practicable for all parties.

3. Promoting Rapid Improvement - Our approach to schools causing concern

Alongside this strategic focus and within the remit of our 'Five Strands for Success', the Council will continue to discharge its' essential statutory duties with regard to school improvement which include the local authority responsibility to address concerns when schools fall into Department of Education categories (as outlined in the national 'Schools Causing Concern guidance for local authorities).

"Where schools are failing or seriously underperforming, it is vital that there is rapid intervention to address the problems as quickly as possible, so that children's education is affected as little as possible."

An important strand of our school improvement strategy (strand 5) specifically addresses the LA's role in support and challenge for schools causing concern. At the heart of the Hillingdon-wide approach to these duties is our belief that preventative interventions through good communication, timely collaboration and school-to-school improvement mechanisms are the preferred approaches to securing improvement.

However, in line with statutory guidance and in cases where life-chances, opportunities and outcomes for young people are compromised as a result of insufficient progress, poor leadership and governance, concerns about the safety of pupils and/or inequalities in achievement for vulnerable young people, the Local Authority will act swiftly and decisively to take appropriate action, within the overarching commitment to ensuring the highest standards of education for the young people of Hillingdon.

Our Hillingdon-wide aspiration is for every school in Hillingdon to be at least a 'good school' and that no schools should be in an Ofsted or LA category of concern. The great majority of schools will be able to identify what is working well and what they need to do to improve, brokering their own support, but for others some additional support or intervention may be needed. It is necessary and appropriate for the Local Authority, as champions of children and parents/carers, to act quickly and broker support where required and, when necessary, to use its powers of intervention in promoting high standards should the provision and quality of education for children and young people be compromised. There is a legal obligation placed upon Hillingdon Council to take action where there are concerns about the performance of any school in Hillingdon, using powers of intervention to act early and effectively to secure improvement in maintained schools.

The London Borough of Hillingdon is committed to fulfilling this duty and acting swiftly to eradicate underachievement and drive up educational standards, so that children and young people are able to learn and achieve irrespective of the school that they attend or the neighbourhood in which they live. Whilst statutory intervention powers for school improvement are centred on the schools which the Local Authority maintains, Hillingdon firmly recognises its statutory duties with regard to all young people in the Borough and is equally committed to maintaining a regular and effective dialogue with the responsible bodies of all local academies and free schools.

Effective schools are characterised by determined leadership and strong governance and have well developed self-improvement procedures. They are reflective, evaluative and forward thinking and take the initiative when building on their strengths and addressing their weaknesses. They form strategic alliances with partners and seek support through collaborative arrangements based on hubs and networks. Their effectiveness is endorsed by positive inspection outcomes and by the high levels of achievement of the children and young people who attend them.

Some schools, however, cause concern because the children and young people they serve have lower achievement than their peers locally and nationally and such schools appear unable to address low performance in an effective and timely manner. Some schools do not ensure that vulnerable groups perform well enough and that any gaps in performance in relation to peer groups are reduced through targeted interventions and good teaching. Some of these schools are unable to sustain incremental improvement meaning their performance remains insecure over time. Where schools cause concern, the Local Authority in its role as champion of children and parents/carers will take action to ensure that the school system

works for every family, using intervention powers where required in those schools who are considered 'eligible for intervention'.

This guidance makes a distinction between schools deemed to 'cause concern' and those that are 'eligible for intervention'. Schools 'eligible for intervention' are those which are causing concern and are subject to a DfE Performance, Standards and Safety Warning Notice as detailed in the statutory guidance. Wherever possible and practicable the local authority wishes to work in partnership with all schools considered to 'cause concern', regardless of whether they are maintained, academy or free schools.

Consultation with Schools

This draft strategy has been prepared by the Hillingdon Schools' Strategic Partnership Board and will be sent to all schools in Hillingdon during September 2015 for their views. A proposed implementation plan will be attached to the draft strategy document setting out how the key improvement issues will be addressed.

Drafted dated: 7th July 2015

LICENSING OF TWO STOREY HOUSES IN MULTIPLE OCCUPATION

Cabinet Member	Councillor Philip Corthorne
Cabinet Portfolio	Social Services, Health & Housing
Officer Contact	David Youngs, Residents Services
Papers with report	<ul style="list-style-type: none"> • Appendix 1 - Map of Proposed Designation. • Appendix 2 - Old Additional HMO Licensing Secretary of State Approval. • Appendix 3 - Article 4 HMO Restrictions in Brunel & Uxbridge South Wards. • Appendix 4 - Web Page consultation screen shots.

1. HEADLINE INFORMATION

Summary	Cabinet is requested to consider the renewal of the existing Additional Licensing Scheme for Smaller Houses in Multiple Occupation (HMO) for Five years covering the 13 wards south of the A40 highway.
Contribution to our plans and strategies	<p>Putting our Residents First: <i>Our Built Environment; Our People; Financial Management</i></p> <p>Contributes towards the aims of the Council's Housing Strategy of providing a decent home for all our residents.</p>
Financial Cost	Extension of existing scheme. Income budget £80k offset by administration costs of £83k.
Relevant Policy Overview Committee	Social Services, Housing and Public Health
Ward(s) affected	Uxbridge North, Uxbridge South, Hillingdon East, Brunel, Charville, Barnhill, Yeading, Yiewsley, Botwell, Townfield, West Drayton, Heathrow Villages, Pinkwell

2. RECOMMENDATION

That Cabinet:

- 1) Approve the renewal for a further five year term the Additional Licensing Scheme for Houses in Multiple Occupation (that are not covered by the national Mandatory HMO Licensing scheme) which covers the 13 wards south of the A40 as set out in Appendix 1.

continued overleaf...

- 2. Amend the existing approved fees for HMO licensing which came into force on the 1st April 2015 (£980 for a new licence and £735 for a renewal) to apply to all HMO licences whether mandatory or additional.**

Reasons for recommendation

The Additional Licensing Scheme for Houses in Multiple Occupation (HMOs) is an important part of the Council's overall Housing Strategy. The continuation of the additional licensing enables greater controls to be applied to HMO housing stock to the benefit of the tenants and the surrounding neighbourhoods.

If the recommendations are adopted, how will residents benefit?

- Safer, healthier living conditions for residents of HMOs in the 13 wards in the south of the Borough where the highest concentrations lie,
- Improved management standards in HMOs in the 13 wards in the south of the Borough,
- Reduced negative impact on the neighbourhood environment from poorly managed HMOs,
- Continuing robust enforcement through our Rogue Landlord/illegal outbuilding taskforce.

Alternative options considered / risk management

To not approve the scheme which would result in a loss in enforcement powers, reducing the Council's ability to deal with rogue landlords and poor management within our HMO stock. It would also result in a loss of licensing fee income which both contributes towards the budgetary costs of the HMO team and enables it to generate income on a broadly cost recovery basis.

Policy Overview Committee comments

None at this stage.

3. INFORMATION

Supporting Information

The demand for HMOs (Housing in Multiple Occupation) is growing within the Borough due to a booming property market and rising house prices making not only the first step onto the housing ladder difficult, but also the affordability of renting a traditional self contained flat or studio apartment. The only option remaining for not only low income workers and families but also increasing numbers of young professionals is to house share or rent a room in a HMO. These issues are further magnified by changes to welfare reform including Local Housing Allowance and Universal Credit making London unaffordable for many families in receipt of benefits, meaning HMOs offer the only affordable option. In addition, the population is increasing the demand for affordable housing and HMOs are increasingly being used to meet this demand.

Conditions within HMOs are often poorer than those of owner occupied properties. It is known that poor housing has a detrimental impact on the neighbourhood environment, on the sense of overall well-being in a local area, as well as the health, safety and welfare of the occupiers. In order to tackle these problems the Council needs to take a proactive stance in addressing poor housing standards and HMO licensing is an effective tool in achieving this objective.

Additional HMO licensing is a discretionary piece of legislation which Council's can choose to adopt if they can demonstrate they have ongoing issues with HMOs which sit outside of the criteria for Mandatory HMO Licensing (which applies across the country). Mandatory HMO Licensing only applies to larger three storey HMOs with five or more tenants. As an outer London Borough with a predominantly two storey housing stock Mandatory Licensing is of limited effectiveness in managing and regulating HMO housing stock, so in 2008/9 the Council made the decision to introduce Additional Licensing for smaller two-storey HMOs within the Borough. Originally the legislation required the Council to obtain approval from the Secretary of State before the Additional Licensing could be introduced. This involved justification that the Council had problems with its HMO housing stock associated with anti-social behaviour and poor management.

More recently the legislation has changed and formal approval is no longer required from the Secretary of State. Section 58 of The Housing Act 2004 ("the Act") no requires local authorities to gain approval for *Additional Licensing* designations from the Secretary of State. Nonetheless the Council needs to follow other sections of the Housing Act relating to the process of creating or renewing additional licensing. The Council must satisfy Sections 56 and 57 of the Act which require that prior to making an Additional Licensing designation the local authority must:

- § *Consider that a significant proportion of the HMOs of the type specified in the designation are being managed sufficiently ineffectively as to give rise, or to be likely to give rise, to one or more particular problems either for those occupying the HMOs or for members of the public.*
- § *Consider whether there are any other courses of action available to them (of whatever nature) that might provide an effective method of dealing with the problem or problems in question, that making the designation will significantly assist them to deal with the problem or problems (whether or not they take any other course of action as well).*
- § *Consult persons likely to be affected by the designation.*

There is no automatic process for renewing an Additional Licensing Scheme and they run for a set five year term. Once a scheme expires, if a local authority still feels they have ongoing issues they must undertake a statutory ten week consultation, if they receive no challenges and the scheme is supported, then they can introduce a new Additional Licensing Scheme for a further five year term. The Council's current Additional Licensing Scheme which covers smaller two storey Houses in Multiple Occupation (HMO) was approved by the Secretary of State on the 26th November 2009 and came into effect on the 8th March 2010 (copy in Appendix 2). Any scheme only lasts for a period of five years and then ceases to have effect so the existing scheme expired on the 7th March 2015. The current scheme covered the 13 wards in the south of the Borough from the A40 down to Heathrow airport which is where the majority of HMOs are concentrated. As our housing stock consists of two storey terraced or semi-detached houses, the scheme has been essential in enabling us to managing the increasing numbers of HMOs across the south of the Borough and, in particular, around Brunel University.

HMO Licensing in Hillingdon - the last five years

The last Private Sector Stock condition Survey carried out in 2008 estimated there were approximately 2300 HMOs within the Borough. At the outset of the Additional Licensing scheme in March 2010, the Council was aware of the following:

- 114 larger three storey Mandatory HMOs Licensed,
- 179 two storey HMOs licensed from our old HMO Registration Scheme (which had ceased due to the new Housing Act 2004 coming into force),
- We estimated there were a further 23 Mandatory HMOs requiring licensing across the whole Borough based on current street survey data bringing the total to 137 Mandatory HMOs,
- We estimated there were a further 140 Additional licensing two storey HMOs requiring licensing base on current street survey data (south of the A40 within the designation area), making a total of 319 Additional licensable HMOs.

As of March 2015 these numbers have increased significantly and we now have:

- 153 Mandatory licensed HMOs - current estimate is 212 based on current data,
- 362 Additional licensed HMOs - current estimate is 577 based on current data.

Since the start of the Additional licensing scheme five years ago there has been a steady increase in larger Mandatory HMOs, but the Council has also seen a significant increase in smaller Additional Licensing two storey HMOs, which have almost doubled in number across the south of the Borough. Of the total 186 known HMOs north of the A40 (both licensed and non licensable) the Council has seen a steady decline to 139 over the last five years which seems to be as a result of higher property prices making rental yields less attractive than the south of the Borough.

Demographic and Local Geography

Hillingdon is London's second largest Borough by area, covering 42 sq miles, stretching from the Buckinghamshire border in the north to Heathrow Airport in the south and is a key gateway into West London. It is bordered by the M25 and has both the M40 and M4 passing through its boundaries together with Heathrow airport, Brunel University, Bucks University Campus, Uxbridge College and Hillingdon Hospital all bringing large numbers of students and workers into the area.

With a current population in the region of 250,000 people (this population is expected to increase to 260,000 by 2020) and rising London house prices, the demand for affordable rented housing is very high. With a very large mobile population always present in what is an expanding and growing Borough, there is a high demand for room lets in multiple occupied property accompanied by the wide-ranging problems that this type of accommodation can bring to local communities. The south of the Borough stretching from Uxbridge (housing Brunel University), down to Heathrow airport has slightly cheaper house prices and excellent transport links and therefore attracts the majority of the buy to let landlords who operate within the area. The north of the Borough, above the A40 motorway, is physically separated through green fields and RAF Northolt. It has larger properties, higher house prices, and is separate from the areas of high rental demand to the South. Consequently, it only has a relatively small amount of HMOs, which tend to be located close to tube stations or high street locations.

Due to high owner- occupier house prices and a large amount of mobile and low-income workers wishing to live locally, Houses in Multiple Occupation provide a much needed source of accommodation. Houses in Multiple Occupation provide housing for a wide range of people, many of whom would be unable to secure or afford accommodation elsewhere. The HMO sector is therefore a very important element of housing provision in the Borough for a very wide range of

households, from students through to key workers and young professionals. Unfortunately, this can be of a poor standard at high density with inadequate management and poor fire safety. Its concentration in the Brunel, Uxbridge and Heathrow areas, particularly Brunel, has resulted in 'Studentification' issues, with some streets, previously owner occupiers, now consisting of over 60% student occupied HMOs.

Other Courses of Action

Hillingdon's Private Sector Housing Team currently deal with enforcement issues within the Private rented sector under the requirements of the Housing Act 2004, the Housing Health & Safety Rating System and they enforce fire safety and amenity standards within all HMOs across the Borough. The team works in partnership with the London Fire Brigade and have signed up to the Fire Safety Protocol which clearly sets out areas of responsibility around fire safety enforcement. The team also work closely with the Metropolitan Police and UK Border & Immigration, in particular through our Rogue Landlord and illegal out buildings enforcement programme (which heavily involves the Private Sector Housing and Planning Enforcement teams).

The Council also introduced on the 24th March 2013 an Article 4 Direction Order in the two wards around the University - Uxbridge South & Brunel wards, to control the large growth in HMOs close to the University (Appendix 3). This has been extremely effective in stemming the growth of HMOs within these two wards with only 8 planning applications having been received in the last two years (5 receiving approval). This does not, however, assist in regulating and controlling existing poorly managed HMOs either within these wards or across the south of the Borough, so HMO licensing is still a powerful and necessary tool to enable the Council to effectively regulate the sector. HMO licensing also offers the penalties of much higher fines than for normal Housing Act breaches, which only allow for maximum £5000 fines, compared to £20,000 for licensed properties.

HMO Licensing in Hillingdon - the next five years

The intention is to retain the same area and 13 wards south of the A40 and retain the same qualifying criteria of three or more households consisting of five or more people in order to avoid confusion to landlords and letting agents. Over the last ten years of HMO Registration and Licensing both landlords and agents have become familiar with the scheme criteria and as current licenses come up for expiry landlords and agents will not have to deal with new qualifying criteria and areas, allowing for a simple business as usual approach.

As can be seen from the information collected over the last five years of Additional Licensing there has been a significant rise in two-storey HMOs within the south of the Borough, which is very likely to continue. This growth supports the intention to continue with Additional HMO Licensing and also demonstrates that in 2010 the Council chose the correct area to apply additional licensing to. As already stated there is no need to extend the area northwards.

Licensing fees were recently reviewed by the Council's Cabinet and have been set at £980 for a new license application and £735 for a renewal as of the 1st April 2015. It is proposed that the same fee structure will apply to all HMO licenses whether Mandatory or Additional licensing to avoid confusion and maintain consistency across the two licensing schemes.

Meeting the Qualifying Criteria

Under The Housing Act 2004 ("the Act") Sections 56 and 57 before making an *Additional Licensing* designation the local authority must:

1. *Consider that a significant proportion of the HMOs of the type specified in the designation are being managed sufficiently ineffectively as to give rise, or to be likely to give rise, to one or more particular problems either for those occupying the HMOs or for members of the public.*

There has been a continual rise in the numbers of service requests (see table below) in relation to HMOs over the last five years to the Council's Private Sector Housing Team. The increase in service requests is considered to be directly proportional to the increase in problems faced by occupiers and neighbours of HMOs. The service requests relate almost entirely to HMO issues about poor management or anti-social behaviour.

Financial Year	No of Service requests for HMOs
2009-2010	379
2010-2011	502
2011-2012	527
2012-2013	493
2013-2014	544
2014-2015	679

Table1: Service requests on Houses in Multiple Occupation by year

2. *The authority must ensure that any exercise of the power is consistent with the authority's overall housing strategy.*

The London Borough of Hillingdon's Housing Strategy 2012-15 - Homes Fit for Hillingdon places a lot of importance on good management of our HMO housing stock. A key aim of the Housing Strategy is to continue with Additional HMO Licensing, so this reports recommendation is directly aligned to the Council's most recently adopted Housing strategy.

3. *The authority must also seek to adopt a co-ordinated approach in connection with dealing with homelessness, empty properties and anti-social behaviour affecting the private rented sector, both as regards combining licensing with other courses of action available to them, and as regards combining such licensing with measures taken by other persons.*

The Private Sector Housing Team (PSHT) deals with all Housing related issues including HMOs, HMO Licensing, empty properties and single family lets and works closely with the Council's Homelessness Prevention Team. The PSHT is also an integral part of the Council's beds in sheds task force in conjunction with planning, legal and corporate fraud teams. As part of this task force the team regularly works with the UK Border Agency in dealing with cases with often extensive breaches of planning and housing regulations; where issues of homelessness and emergency housing need often come to light.

4. *Consider whether there are any other courses of action available to them (of whatever nature) that might provide an effective method of dealing with the problem or problems in question, that making the designation will significantly assist them to deal with the problem or problems (whether or not they take any other course of action as well).*

A range of tools are used to deal with HMOs across the Borough, including the Article 4 Planning legislation and enforcement work undertaken by the 'Beds in Sheds - Rogue Landlord' task force. Despite utilising a range of different approaches and pieces of legislation, HMO licensing remains one of the most powerful tools to manage and control HMOs. It enables the Council to regulate each individual property and also the landlords themselves. The HMO licensing also has high levels of fines, which act as a deterrent to the less professional landlords (who are more likely to flout the law).

5. Consult persons likely to be affected by the designation.

There has been a full consultation undertaken in line with the statutory ten week requirements and details of this and stakeholders contacted are outlined below:

- Presentation on proposals at Private Sector Landlords Forum Tuesday 24th March 2015 and follow up reminder at Wednesday 10th June 2015 forum,
- Mail shot to 762 landlords/Managing agents and Landlord Associations inviting to attend forum and share their views,
- An on-line survey questionnaire was posted on the Council's website on the 21st April 2015 for the 10 week consultation period (Appendix 4),
- Email notifications were sent to all surrounding councils advising on proposal and to visit the web pages or contact us for more information - Ealing, Hounslow, Harrow, Three Rivers, Slough, South Bucks & Spelthorne,
- Email notification was sent to the three main Landlords Associations for comments - National Landlords Association (NLA), Residential Landlords Association (RLA) & The Southern Landlords Association (SLA),
- Brunel University were advised through the Council's quarterly Brunel Liaison meeting and emails were sent to the Brunel Housing Office and Student Union,
- An email was sent to the Metropolitan Police seeking their views and support,
- An email was sent to the London Fire and Emergency Planning Authority seeking their views and support,
- The Council's' Planning and Building Control departments were briefed.

Results of Consultation

The consultation results showed very strong support for Additional HMO Licensing for smaller two storey HMOs within the proposed designation from both landlords and local residents, with only one full objection lodged by a landlord (no supporting information or reasoning were given).

- Strong support was giving at the Council's Landlords Forum and perhaps surprisingly a number of landlords were unhappy that the scheme has expired and they were unable to renew their expiring HMO licenses; as they felt a license was essentially their formal approval from the Council that their HMO was fully compliant and was a document they provided to tenants and their lenders to indicate the HMO was of a high standard.
- 11 responses were received to the online consultation.
- 6 responses were from landlords/agents.
- 1 landlord strongly objected to the scheme but gave no reasoning.
- 3 landlords supported the scheme.
- 1 landlord neither agreed nor disagreed with the scheme.

- 1 landlord felt the area was correct but disagreed that all HMOs in the area should be licensed and felt that this was another way of taxing good landlords.
- 4 responses were received from local residents.
- 3 residents strongly supported the scheme.
- 1 resident agreed with the aims of the scheme and that all HMOs should be licensed but felt it would not improve management or conditions within the sector.
- 1 response was received from an out of Borough resident strongly supporting the scheme.
- An email was received from the London Fire Brigade fully supporting our scheme and continued partnership working into the future.
- An email was received from the Metropolitan Police fully supporting the scheme.
- An email was received from Brunel University Housing Office fully supporting the scheme.
- An email was received from Brunel University Student Union fully supporting the scheme.
- An email was received from Nupad Letting Agents in Cowley fully supporting the scheme.

Financial Implications

In the previous financial year, income from HMO license fees exceeded the base budget income target by £22k. This was, however, offset by the cost of administering the scheme. The cost of administration chargeable against the license fees equated to 1.5 FTE Officers. For the 15/16 financial year, a licence fee increase was approved increasing the fee from £480 to £980 per licence. This fee increase has been reflected in an increase in the 15/16 income budget from £30k to £80k. Again, the cost of administering the scheme is estimated to be 1.5 FTE officers and this cost amounts to £83k.

The license fee outturn position for the 14/15 financial year was £52k equating to circa 107 licences. The consultation process is likely to continue through to November 2015 and with no applications processed in that time, this presents a financial pressure. Despite this, with strong management of the scheme and permitting all applications can be processed; there is an expectation that the income target of £80k can be met once the consultation is over. Furthermore, income levels will be closely monitored throughout this period.

The HMO enforcement is a mandatory service provision. Additional Licensing allows the service to be run on a broadly cost neutral basis; therefore, failing to renew the additional licensing element will automatically provide a pressure to the Council's budget.

4. EFFECT ON RESIDENTS, SERVICE USERS & COMMUNITIES

What will be the effect of the recommendation?

- Safer, healthier living conditions for residents of HMOs in the 13 wards in the south of the Borough where the highest concentrations lie.
- Improved management standards in HMOs in the 13 wards in the south of the Borough.
- Reduced negative impact on the neighbourhood environment from poorly managed HMOs.
- Continuing robust enforcement through our Rogue Landlord/illegal outbuilding taskforce.

Consultation Carried Out or Required

An extensive 10 week consultation process has been undertaken as outlined in the main body of the report.

5. CORPORATE IMPLICATIONS

Corporate Finance

Corporate Finance has reviewed this report and concurs with the financial implications set out above, noting the recommendation to approve the Additional Licensing Scheme HMOs, not covered by the Mandatory Scheme, for a further 5 years will continue to regulate HMOs in the Borough and generate income on a broadly cost recovery basis.

Legal

The Council is permitted to designate additional areas with the Borough for HMO licensing if the conditions set out in sections 56-58 *Housing Act 2004* are met, which are specified and addressed in the body of this report, namely that:

- The Council must consider that a significant proportion of the HMOs of that description in the area are being managed sufficiently ineffectively as to give rise, or to be likely to give rise, to one or more particular problems either for those occupying the HMOs or for members of the public;
- any exercise of the power is consistent with the Council's overall housing strategy; and
- the Council must be satisfied that a co-ordinated approach is adopted in connection with dealing with homelessness, empty properties and anti-social behaviour affecting the private rented sector.

Further, the Council must not make a particular designation unless they have considered whether there are any other courses of action available to them (of whatever nature) that might provide an effective method of dealing with the problem or problems in question, and they consider that making the designation will significantly assist them to deal with the problem or problems (whether or not they take any other course of action as well). The Cabinet Members must therefore consider those aspects which are evidenced within the report.

The ten week consultation pursuant to the *Housing Act 2004: Licensing of Houses in Multiple Occupation and Selective Licensing of Other Residential Accommodation (England) General Approval 2010* has been carried out and the required reasonable steps taken to consult persons who are likely to be affected by the designation case have been detailed in the report. Cabinet Members must consider any representations made in accordance with the consultation.

Subject to consideration of those issues, there are no impediments to the decision contained in the recommendation of this report.

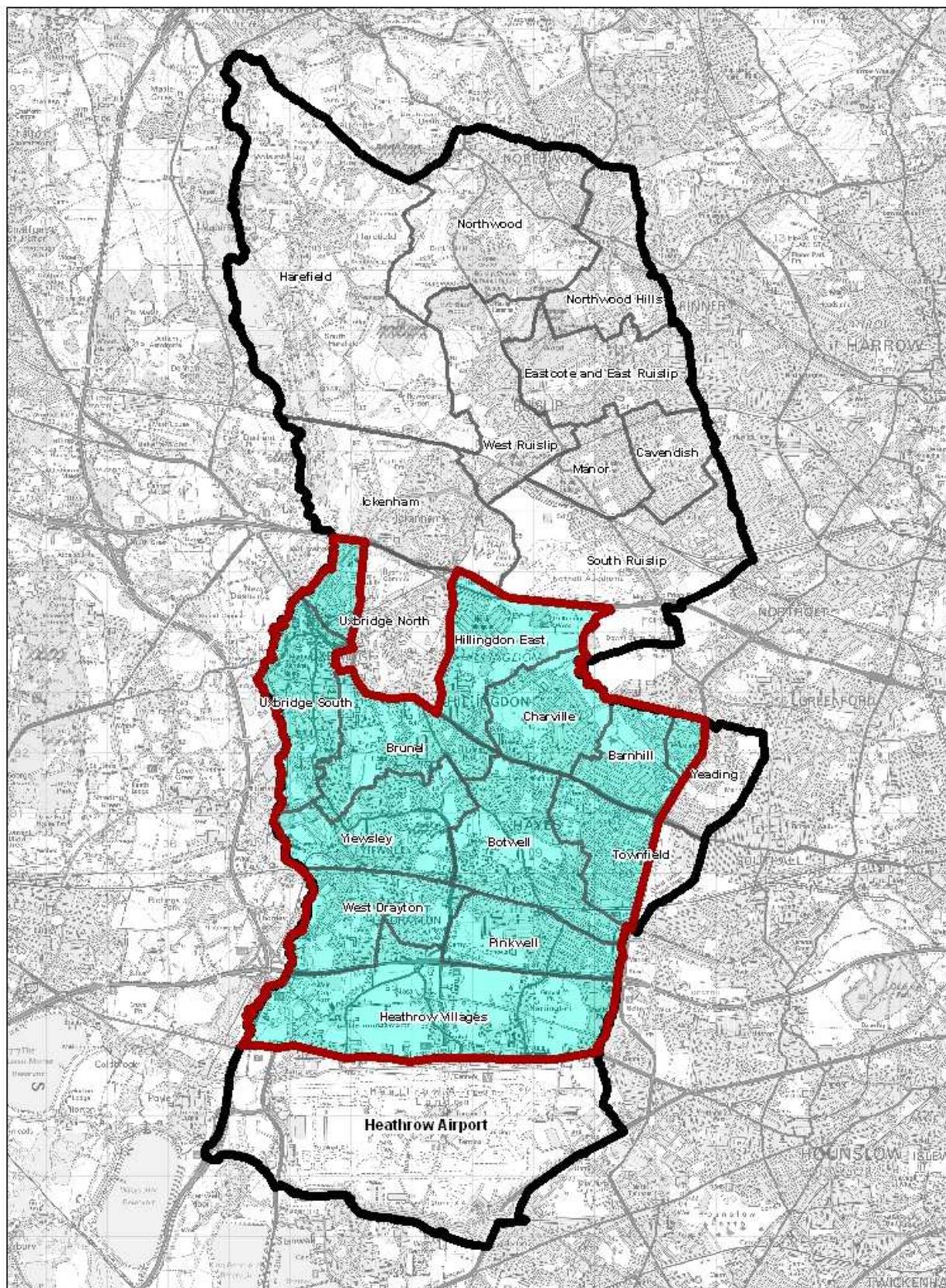
Should the recommendation be agreed by Cabinet Members, there are specific publication requirements to be followed after the designation has been confirmed which are set out in *Licensing and Management of Houses in Multiple Occupation and Other Houses (Miscellaneous Provisions) (England) Regulations 2006* (see Regulation 9).

The designation will come into force on the date specified in the Designation, which must be no earlier than three months after that date the Designation is confirmed.

6. BACKGROUND PAPERS

Previous Cabinet reports on HMO licensing.

Appendix 1 - Map of Proposed Designation



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Appendix 2 - Old Additional HMO Licensing Secretary of State Approval

THE LONDON BOROUGH OF HILLINGDON DESIGNATION OF AN AREA FOR ADDITIONAL LICENSING OF HOUSES IN MULTIPLE OCCUPATION 2009

The London Borough of Hillingdon in exercise of their powers under section 56 of the Housing Act 2004 ("the Act") hereby designates for additional licensing of Houses in Multiple Occupation ("HMOs") the area described in paragraph 4.

CITATION, COMMENCEMENT AND DURATION

1. This designation may be cited as the London Borough of Hillingdon Designation for an Area for Additional Licensing of Houses in Multiple Occupation 2009.
2. This designation is made on 26 November 2009 and shall come into force on 8 March 2010.
3. This designation shall cease to have effect on 7 March 2015 or earlier if the Council revokes the scheme under section 60 of the Act.

AREA TO WHICH THE DESIGNATION APPLIES

4. This designation shall apply to thirteen wards and part wards as delineated and edged red on the map at annex a.

APPLICATION OF THE DESIGNATION

5. This designation applies to HMOs of the description specified in annex b within the area described in paragraph 4 unless -
 - (a) the building is of a description specified in annex c (Buildings that are not HMOs for the purpose of the Act- other than Part 1);
 - (b) the HMO is subject to an Interim or Final Management Order under Part 4 of the Act;
 - (c) the HMO is subject to a temporary exemption under section 62 of the Act; or
 - (d) the HMO is required to be licensed under section 55 (2) (a) of the Act (mandatory licensing).¹

EFFECT OF THE DESIGNATION

6. Subject to sub paragraphs 5(a) to (d) every HMO of the description specified in that

¹ For the application of mandatory licensing see SI 371/2006 – The Licensing of Houses in Multiple Occupation (Prescribed Descriptions) (England) Order 2006

paragraph in the area² specified in paragraph 4 shall be required to be licensed under section 61 of the Act.

7. The London Borough of Hillingdon Council will comply with the notification requirements contained in section 59 of the Act and shall maintain a register of all³ houses registered under this designation, as required under section 232 of the Act.

Date and authentication by the Council.

~~Paul~~ BEATRICE CINCANTO
HEAD OF HOUSING

11/11/2009
The Secretary of State for Communities and Local Government under the power conferred on her by section 58 (2) of the Act hereby confirms the scheme described above.

Signed

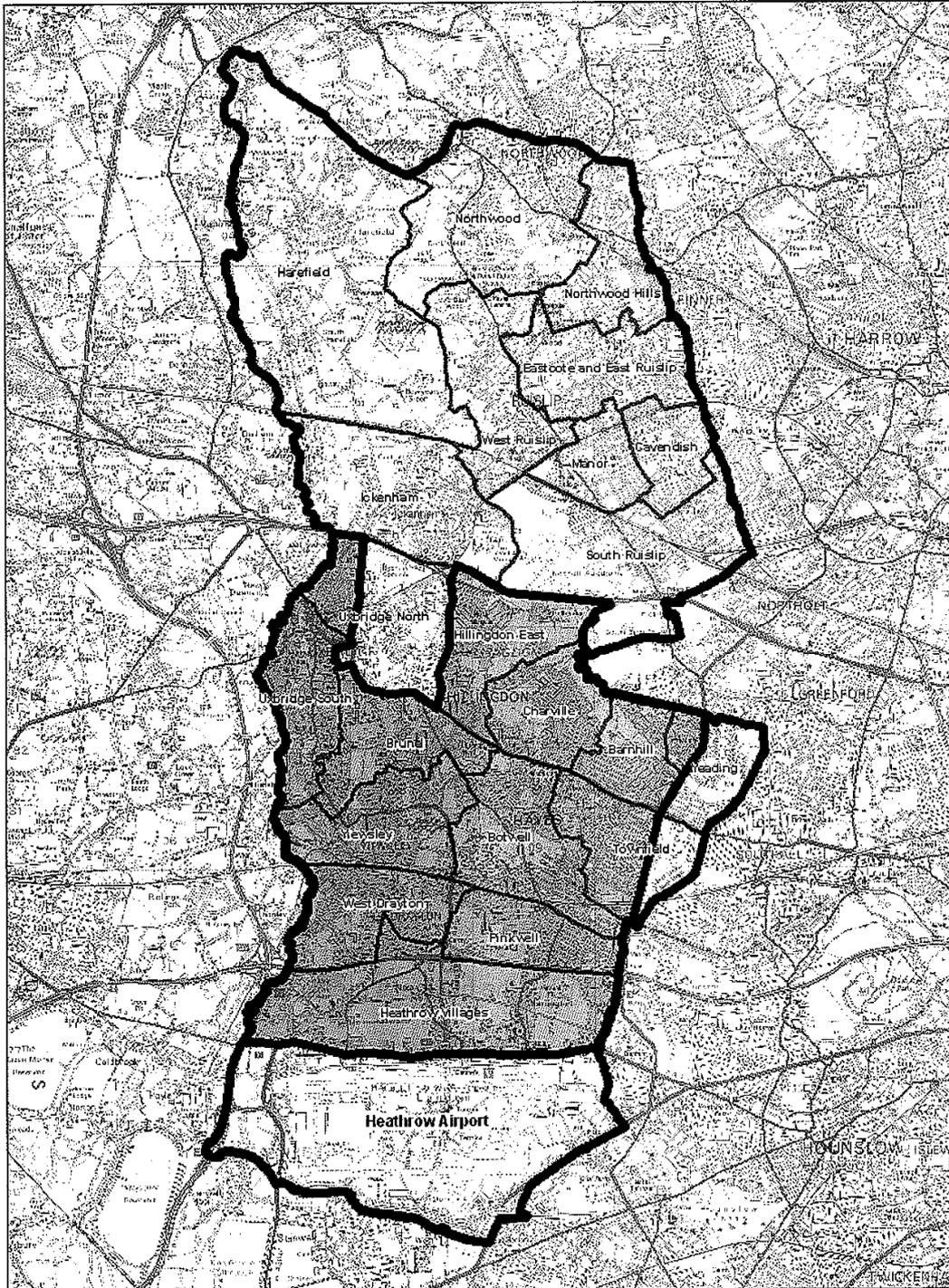
Randall.
26/11/2009

An officer authorised by the Secretary of State

Date

² Section 62 of the Act provides for certain temporary exemption. As to suitability see section 64. Note, if the house is not suitable to be licensed the Council must make an Interim Management Order-see section 10
³ Section 232 of the Act and paragraph 11 of SI 373/2006

Annex A – Paragraph 4 : Map of Designated Area



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LB Hillingdon 100019283 2009



HILLINGDON
LONDON

**Town and Country Planning (General Permitted Development) Order
1995 As Amended**

Direction made under Article 4(1) to which Article 5 applies.

WHEREAS The London Borough of Hillingdon being the appropriate local planning authority within the meaning of Article 4(4) of the Town and Country Planning (General Permitted Development) Order 1995, are satisfied that it is expedient that development of the description(s) set out in the Schedule below should not be carried out on the land shown edged/coloured red on the attached plan unless planning permission is granted on application under Part III of the Town and Country Planning Act 1990 as amended.

NOW THEREFORE the said Council in pursuance of the power conferred on them by Article 4(1) of the Town and Country Planning (General Permitted Development) Order 1995 hereby direct that the permission granted by Article 3 of the said Order shall not apply to development on the said land of the description(s) set out in the Schedule below.

SCHEDULE

Change of use from a use falling within Class C3 (dwellinghouse) of the Schedule to the Town and Country Planning (Use Classes) Order 1987 to a use falling within Class C4 (houses in multiple occupation), being development comprised within Class I of Part 3 of Schedule 2 to the said Order and not being development comprised within any other Class.

The Article 4 Direction will come into force on 24th March 2013.

Dated this 23rd day of March 2012

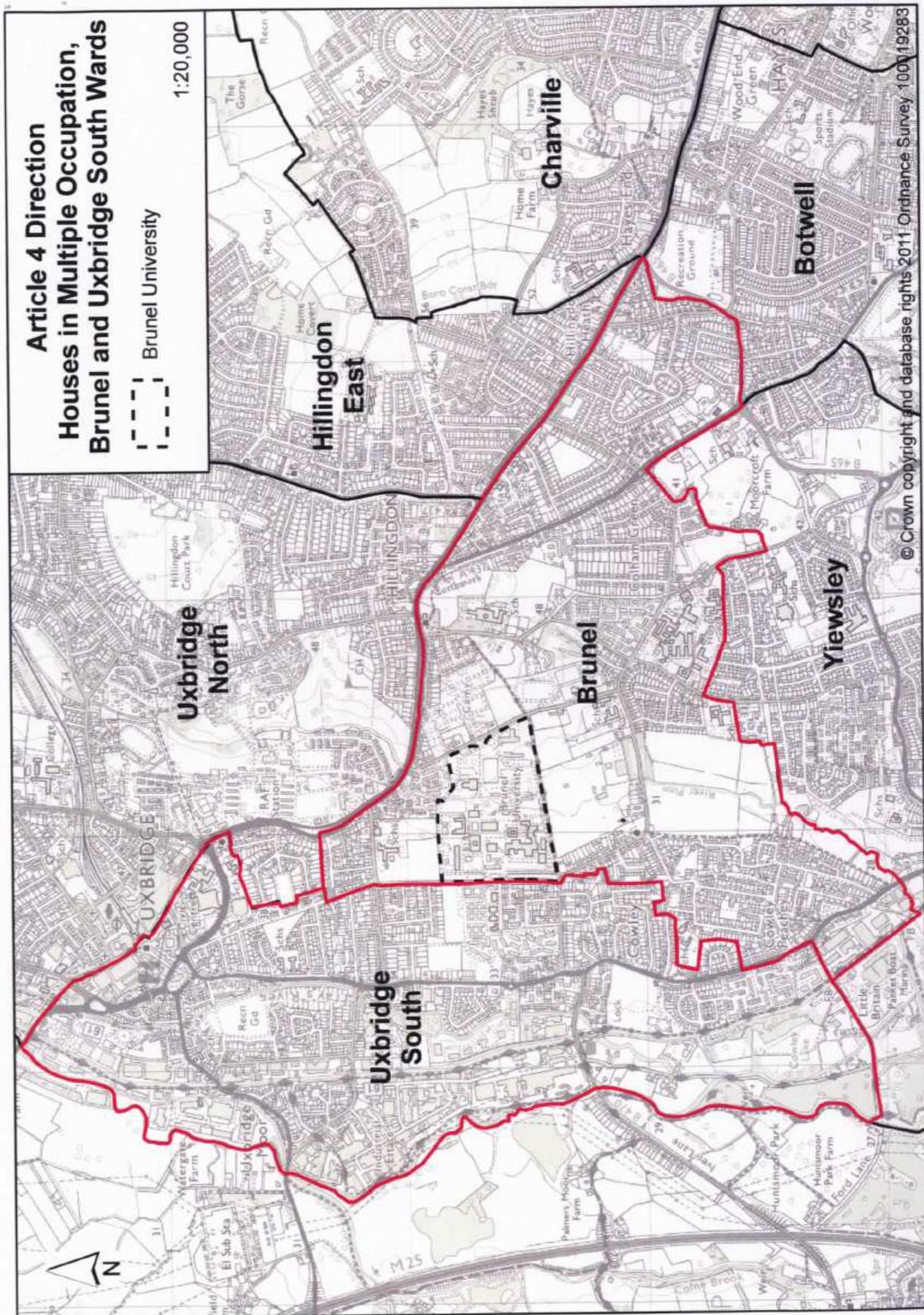
Made under the Common Seal of the
MAYOR AND BURGESSES OF THE
LONDON BOROUGH OF HILLINGDON
this 23rd day of MARCH 2012
in the presence of:-

MEMBER *Catherine Dann*

AUTHORISED OFFICER
[Signature]



415861



Appendix 4 - Web Page consultation screen shots

The screenshot shows the Hillingdon Council website's 'Current consultations and surveys' page. At the top, there is a navigation bar with links for 'Listen', 'Mobile', 'News', 'Jobs', and 'About Hillingdon', along with an 'Online services' button and accessibility icons. A search bar is located on the right. Below the navigation bar, a menu highlights 'Council and democracy', with sub-links for 'Councillors and meetings', 'Strategies, policies and plans', 'Consultation', 'Performance and spending', 'Elections', 'Mayor', and 'More >'. The breadcrumb trail reads 'Council and democracy > Consultation > Current consultations and surveys'. The main heading is 'Current consultations and surveys', followed by the sub-heading 'Have your say about what's happening in Hillingdon now.' The first consultation is 'HMO additional licensing consultation', which includes a photo of a residential area and a description: 'The London Borough of Hillingdon wish to renew their current Houses in multiple occupation (HMO) Additional Licensing scheme for smaller two storey HMO's which has recently expired on the 6 March 2015.' To the right of this section is a 'Related information' box with a link for 'Results and reports'. The second consultation is 'Cranford Park public consultation', with the text 'Hillingdon Council are seeking your views on the possible proposed future for Cranford Park.' The third is 'Support for carers - Have your say', featuring a photo of a woman and child, and a link to 'Read more about Support for carers - Have your say'. The fourth is 'Parking and traffic improvement schemes', with a 'P' sign icon and the text 'Consultation documents and information.' The fifth is 'Council proposes new prohibited activities', with a paragraph explaining the Anti Social Behaviour Policing and Crime Act. At the bottom of the main content area, it says 'Last updated: 21 Apr 2015 at 10:31' and provides social media sharing options and a 'Print this page' link. The footer contains logos for 'Hillingdon First', social media icons for Facebook, Twitter, YouTube, and LinkedIn, the 'GOV.UK' logo, and the 'london.gov.uk' website address.

Private housing

Information on private rentals, empty properties and low cost home ownership.

HMO additional licensing consultation



The London Borough of Hillingdon wish to renew their Houses in multiple occupation (HMO) Additional Licensing scheme for smaller two storey HMO's. Have your say.

Home ownership



Find out all you need to know about low cost home ownership and help on managing your mortgages.

Empty properties



Hillingdon takes action to bring privately owned properties, that have been empty for over 6 months, back into housing use.

Houses in multiple occupation



Houses in multiple occupation (HMO) are a building, or part of a building occupied by more than one household sharing - or lacking an amenity.

Energy efficiency and grants



Different ways to use energy more efficiently and save money.

Calling all landlords



We are constantly striving to build on the Council's reputation as a reliable, dependable and trustworthy partner to develop a direct offer to Landlords.

Housing conditions



The housing standards team deals with a wide range of issues related to residential premises.



Join us online...



london.gov.uk

HMO additional licensing consultation

The London Borough of Hillingdon wish to renew their current Houses in multiple occupation (HMO) Additional Licensing scheme for smaller two storey HMO's which has recently expired on the 6 March 2015.

The existing scheme covered the 13 wards in the south of the borough from the A40 down to Heathrow airport.

The attached consultation document sets out the reasons for renewing the scheme and seeks the view of local landlords, residents, tenants and managing agents who maybe affected by the proposals so we would like to hear your views on renewing the scheme for a further five years.

Our intention is to retain the same area and licensing conditions which have operated over the last five years to maintain continuity and avoid confusion for both landlords and tenants of HMO's so we can retain a 'business as usual' approach.



We have historically operated two HMO licensing schemes:

- Mandatory HMO licensing for Houses in Multiple Occupation for certain larger HMOs which came into force on the 6 April 2006 with the introduction of the new Housing Act 2004. If you own or manage an HMO which comprises three or more storeys and is occupied by five or more people who form two or more households, you must obtain a licence for the property under the Mandatory HMO licensing scheme (this type of scheme applies to all councils across the country).
- On the 8 March 2010 we introduced an additional HMO licensing scheme within the 13 wards in the south of the Borough, which requires any two storey HMO occupied by five or more tenants, forming two or more households, to be licensed. This scheme ran in conjunction with mandatory licensing but only lasts for five years so expired recently on the 8 March 2015. The scheme was successful in improving housing conditions in hundreds of properties in the south of the borough, and ensuring the health and safety of many residents in some of our poorest quality housing.

For more information  please read the [HMO consultation proposals \[1Mb\]](#).

Questionnaire

Comment on the proposals by completing the online questionnaire or

Writing to:
HMO Team
Civic Centre 3N/02
High Street
Uxbridge
Middlesex
UB8 3UW

Appendix 5 - Emails of support from Key Stakeholders/Partners

London Fire Brigade

From: STEWART, ALEX
Sent: 25 June 2015 12:49
To: 'hmolicensing@hillingdon.gov.uk'
Cc: BIRD, DEREK; CLAYDON, RICHARD
Subject: Extending scheme response

Good Afternoon,

I am writing in response to the consultation exercise for the London Borough of Hillingdon to renew their Houses in Multiple Occupation (HMO) Additional Licensing scheme for smaller two storey HMOs which expired on the 6 March 2015.

I can confirm that the London Fire Brigade fully supports the proposal to renew the above scheme and the primary aims of the scheme to keep occupants of HMOs safer by improving living conditions, management, fire safety and to ensure that any HMO does not have an adverse effect on the surrounding neighbourhood.

It is noted that the recently expired scheme was very successful in bringing landlords forward and providing you with additional powers to regulate what is a growing sector within your Borough and that this good work will continue for a further five year term under the renewal proposals.

We look forward to continued close partnership working with officers at the London Borough of Hillingdon in relation to fire safety matters in HMOs.

Regards

Alex Stewart G I Fire E
Station Manager (Assistant Divisional Officer)
Harrow, Hounslow and Harrow Fire safety Team & NW Area Fire Safety Training/Development/ Learning Lead
Officer
London Fire Brigade

[REDACTED]
[REDACTED]

Metropolitan Police

[REDACTED]

to me

Dear Dave

I can confirm that the MPS, Hillingdon Borough, fully supports LBH's proposal to renew the two storey HMO Licensing scheme for the south of the Borough and the primary aims of the scheme: to keep occupants of HMOs safer by improving living conditions, management, fire safety and to ensure that HMOs do not adversely effect the surrounding neighbourhood.

Mark

Mark LUTON | T/Chief Inspector | Partnership | Hillingdon Borough | XH

MetPhone: [REDACTED] Telephone [REDACTED] : E-mail: [REDACTED] 2 Fax: [REDACTED]

+ Mail: Uxbridge Police Station, 1 Warwick Place, Uxbridge, UB8 1PG



Follow us on Twitter @MPSHillingdon

Email XHMailbox.partnership@met.police.uk to register for crime prevention advice

[Click Here To Find Your Local Safer Neighbourhood Team](#)

Please consider the environment - Do you really need to print this

Brunel University Off Campus Housing Accommodation Office

Geraldine Jackson

to me, Ingrid

Hi Dave,

My apologies, very busy time of year.

Concerning the renewal of the HMO additional licensing scheme, I would be very much in support of the scheme continuing. It has helped to bring up property standards in the properties that we have seen and given us a route to report any concerns we may have of any property we come across in our day to day dealings with our students and student tenants.

I feel that a continuation of the scheme in its present format could only be for the future good of HMO properties within the area.

Kind regards,

Geraldine

Geraldine Jackson
Housing Manager Brunel Student Homes

Brunel University, London | Middlesex, UB8 3PH
tel [REDACTED]

Brunel Student Union

Ingrid Samuels
to me

Dear David,

Apologies for delay in response (which I am now aware is after your deadline) this was due to a mixture of casework commitments/annual leave/training.

I endorse Geraldine's response below.

Thanks for giving us an opportunity to respond.

Kind regards,

Ingrid

Nupad Letting Agents (Preferred supplier for Brunel and Bucks Universities)

From: Raymond Mann [mailto:raymond.mann@nupad.co.uk]
Sent: 30 June 2015 11:44
To: 'David Youngs'
Subject: RE: email for Additional HMO licensing by wednesday if poss

Good morning Dave,

I am writing in response to the HMO additional licensing scheme consultation that you are currently undertaking for 2 storey HMOs. Nupad Limited feel that this is a great idea as it would be more transparent as an agent on what licensing is needed for this sector.

Regards

COUNCIL BUDGET -2015/16 MONTH 2 REVENUE AND CAPITAL BUDGET MONITORING

Cabinet Member	Councillor Jonathan Bianco
Cabinet Portfolio	Finance, Property and Business Services
Report Author	Paul Whaymand, Corporate Director of Finance
Papers with report	Appendices A - G

HEADLINE INFORMATION

Purpose of report	<p>This report provides the Council's forecast financial position and performance against the 2015/16 revenue budget and capital programme.</p> <p>A net in-year underspend of £45k is projected against 2015/16 General Fund revenue budgets as of May 2015 (Month 2).</p> <p>The latest positions on other funds and the capital programme are detailed within the body of this report.</p>
Contribution to our plans and strategies	<p>Putting our Residents First: <i>Financial Management</i></p> <p>Achieving value for money is an important element of the Council's medium term financial plan.</p>
Financial Cost	N/A
Relevant Policy Overview Committee	Corporate Services and Partnerships
Ward(s) affected	All

RECOMMENDATIONS

That the Cabinet:

1. Note the forecast budget position for revenue and capital as at May 2015 (Month 2).
2. Note the treasury management update as at May 2015 at Appendix E.
3. Continue the delegated authority up until the 24 September 2015 Cabinet meeting to the Chief Executive to approve any consultancy and agency assignments over £50k, with final sign-off of any assignments made by the Leader of the Council. Cabinet are also asked to note those consultancy and agency assignments over £50k approved under delegated authority between the 23 April 2015 and 23 July 2015 Cabinet meetings, detailed at Appendix F.
4. Agree that during the intervening period between the 2015 July and September Cabinet meetings, to delegate full authority to the Leader of the Council, in

conjunction with the relevant Cabinet Member(s) and Corporate Director(s), to make any decision that would otherwise be reserved constitutionally to the Cabinet, if a delay would prejudice Council projects or service delivery. Such decisions to be reported to the next Cabinet meeting. Furthermore, request that the Chairman of the Executive Scrutiny Committee agree to waive the scrutiny call-in period for this to take immediate effect.

5. Approve the addition of £80k Transport for London funding for Bus Stop Accessibility to the 2015/16 capital and revenue budgets within Residents Services.
6. Approves the addition of £12k Food Standards Agency funding to Residents Services budgets to support additional food sampling.
7. Approves the addition of £60k Environment Agency funding to Residents Services budgets to fund studies to mitigate flooding in the Charville area and The Common, West Drayton.
8. Approves the acceptance of the gift funding from developers detailed in Appendix G to this report.
9. Agrees to allocate £25k from General Contingency to Residents Services budgets for costs associated with traveller incursion.
10. Delegates to the Leader of the Council and the Cabinet Member for Finance, Property and Business Services, in conjunction with the Deputy Chief Executive and Corporate Director of Residents Services, full authority to acquire and purchase private properties in order to supplement affordable housing provision within the Borough. Furthermore, that following any acquisition, this be reported back to Cabinet for ratification and public record at the appropriate time.
11. Agrees to provide a £25k grant to the Hillingdon Brain Tumour & Injury Group utilising Public Health resources.

INFORMATION

Reasons for Recommendations

1. The reason for the monitoring recommendation is to ensure that the Council achieves its budgetary objectives, providing Cabinet with an update on performance at outturn against budgets approved by Council on 20 February 2015.
2. Appendix E provides an update to Cabinet on Treasury Management performance during this financial year.
3. Transport for London has awarded the Council a further £80k grant funding in respect of the 2015/16 Bus Stop Accessibility Programme. The funding will be utilised to complete further bus stop enhancements throughout the Borough, with recommendation 5 seeking authority to accept this funding and amend budgets to reflect £72k capital and £8k revenue income.
4. The Council has successfully bid for £12k of Food Standards Agency funding to undertake additional sampling as part of the national coordinated risk-based food sampling programme 2015/16, and to help identify emerging risks in the food chain from items that are not covered by specific safeguard measures currently. Recommendation 6 seeks authority to add this resource to budgets.
5. The Council has successfully bid for £50k of Environment Agency grant that will fund studies into options for mitigating the risk of flooding in Charville, where over 50 residents have in the past been affected by floods. These initial studies will provide

much of the information to be able to prepare an application for further funding for future flood relief works. An additional £10k of funding has been awarded by the Environment Agency, to provide flood alleviation to residents in the area of The Common, West Drayton. Recommendation 7 seeks authority to add this resource to budgets.

6. Recommendation 8 seeks authority to accept planning gift funding as detailed in Appendix G to this report. Officers consider it essential to have dedicated staff to process these applications in order to prioritise and facilitate growth and development within the Borough. It is therefore considered appropriate that the Council engage additional staff to provide the discretionary services to the developers in exchange for gift funding which has been offered to cover the reasonable and justifiable costs of carrying out such discretionary services.
7. Recommendation 9 allocated £25k of funding from contingency to Residents Services budgets to deal with traveller incursions during the year. £3,737 has already been incurred on dealing with a recent incursion and this allocation provides funding for dealing with any further incursions over the remainder of the year.
8. Recommendation 10 will assist the Council to actively explore opportunities to supplement affordable housing provision in the Borough through the freehold purchase of private properties, particularly where demand for larger houses is increasing. Registered providers are delivering proportionally fewer larger homes and there is also a significant loss of these where sold through Right to Buy. Purchasing private properties would be a net revenue benefit to the HRA and could utilise receipts that may otherwise have to be returned to the Government with penalty. Constitutionally, Cabinet authority is required to acquire new land and property valued over £250k, hence the permission sought to delegate this decision explicitly in such cases. The lead up to any purchase will require confidential negotiation in respect of the price to secure best value and once an acquisition has been agreed by all parties, this will be reported back to Cabinet in the monthly budget monitoring reports for Members and public information.
9. Recommendation 11 provides a £25k grant to the Hillingdon brain Tumour and Injury Group to be funded from earmarked Public Health resources. The Group provides active support to residents of Hillingdon and surrounding areas affected by any type of brain tumour or brain injury. This funding will provide the Group with the capacity to deal with a greater number of clients. The grant meets the criteria for utilising public health funding.

Alternative options considered

10. There are no other options proposed for consideration.

SUMMARY

REVENUE

11. An underspend of £45k is projected at Month 2 for General Fund revenue budgets, with management action across all service areas expected to deliver an underspend of £523k on Directorate Operating Budgets and an underspend on treasury activity within Corporate Operating Budgets of £850k sufficient to contain £1,328k emergent pressures within contingency.
12. The 2015/16 revenue budget contains savings of £10,034k, including £127k items brought forward from 2014/15. At the current time, £1,761k of savings are banked in full, with £4,265k on track for delivery in full and the remaining £4,008k being at an early stage of implementation.
13. General Fund balances are projected to total £35,484k at 31 March 2016, after allowing for the release of £5,000k to smooth the impact of front-loaded government funding cuts. Current forecasts assume that £500k of as yet uncommitted General Contingency and £654k unallocated Priority Growth will be utilised in full during the current financial year.
14. With the exception of the Collection Fund, there are no material variances on other funds affecting the General Fund position. Within the Collection Fund, a potential pressure of £975k primarily due to delays in bringing properties into the Non-Domestic Rating list is currently being off-set by a £2,563k surplus on Council Tax activities. The net £1,588k surplus would be available to support the Council's 2016/17 budget.

CAPITAL

15. As at Month 2 an underspend of £16,946k is reported on the £110,361k General Fund Capital Programme, with £508k cost variances and £16,438k slippage on project expenditure. The forecast outturn over the life of the 2015/16 to 2019/20 programme is a £508k underspend, principally related to underspends on completed schools projects which are discussed in the comprehensive Schools Capital Programme update included elsewhere on this agenda.
16. General Fund capital receipts of £13,551k are forecast for 2015/16, with total receipts to 2019/20 expected to reach £61,931k, representing a favourable variance of £26k against budget. Slippage of £12,389k in capital receipts forecast for 2015/16 is reported, with this shortfall expected to be recovered from 2016/17.
17. Overall, Prudential Borrowing required to support the 2015/16 to 2019/20 capital programme is forecast to exceed budget by £1,769k, with the favourable variances on expenditure and receipts being off-set by an adverse movement of £2,303k reported on 2015/16 Department for Education grant funding. This position will remain under review and any future revenue implications from the capital programme captured through the Medium Term Financial Forecast.

FURTHER INFORMATION

General Fund Revenue Budget

18. An underspend of £45k is reported on normal operating activities at Month 2. This position incorporates a £523k net underspend across Directorate Operating Budgets, an underspend of £850k across treasury management activities within Corporate Operating

Budgets being off-set by contingency pressures of £1,328k reported on Children's Social Care and Asylum services.

19. At this early stage in the financial year an underspend of £523k is reported across Directorate Operating Budgets, although this position contains a number of risk items which are outlined below. A range of measures are in place to contain the contingency pressures noted, including accelerating implementation of savings proposals where possible.

20. The Council's General Fund revenue budget contains £10,034k savings, with £6,026k already banked or on-track for delivery in full at this early stage of the year. The reported position on operating budgets reflects the status of these savings.

Table 1: General Fund Overview

Original Budget £'000	Budget Changes £'000	Service	Month 2		Variance (As at Month 2) £'000
			Revised Budget £'000	Forecast Outturn £'000	
186,213	1,132	Directorate Operating Budgets	187,345	186,822	(523)
8,795	(246)	Corporate Operating Budgets	8,549	7,699	(850)
12,340	(736)	Development & Risk Contingency	11,604	12,932	1,328
1,604	(150)	Priority Growth	1,454	1,454	0
208,952	(0)	Sub-total Normal Activities	208,952	208,907	(45)
		<u>Exceptional Items</u>			
208,952	(0)	Total Net Expenditure	208,952	208,907	(45)
(203,952)	0	Budget Requirement	(203,952)	(203,952)	0
5,000	(0)	Net Total	5,000	4,955	(45)
(40,439)	0	Balances b/fwd	(40,439)	(40,439)	
(40,439)	0	Balances c/fwd 31 March 2016	(35,439)	(35,484)	

21. At 31 March 2015 General Fund Balances totalled £40,439k, with a budgeted drawdown of £5,000k and the projected £45k surplus resulting in a closing balance of £35,484k. The Council's Medium Term Financial Forecast assumes that balances will remain between £20,000k and £30,000k to manage emergent risks, with sums above that level earmarked for use to smooth the impact of government funding cuts.

Directorate Operating Budgets (£523k underspend)

22. An overview of the forecast outturn on Directorate Operating Budgets is contained in Table 2, with further detail for each directorate contained within Appendix A to this report. Variances relating to those more volatile areas of activity being managed through Development and Risk Contingency are expanded upon below.

Table 2: Directorate Operating Budgets

Original Budget £'000	Budget Changes £'000	Service		Month 2		Variance (As at Month 2) £'000
				Revised Budget £'000	Forecast Outturn £'000	
11,133	43	Admin.	Expenditure	11,177	11,021	(156)
(1,331)	83		Income	(1,248)	(1,196)	52
9,803	126		Sub-Total	9,929	9,825	(104)
16,867	(14)	Finance	Expenditure	16,853	16,816	(37)
(2,583)	0		Income	(2,583)	(2,583)	0
14,284	(14)		Sub-Total	14,270	14,233	(37)
111,955	(1,161)	Resident Services	Expenditure	110,794	110,227	(567)
(53,324)	14		Income	(53,310)	(53,273)	37
58,631	(1,147)		Sub-Total	57,484	56,954	(530)
33,407	451	Children & Young People's Services	Expenditure	33,858	37,204	3,346
(8,327)	0		Income	(8,327)	(11,474)	(3,147)
25,079	451		Sub-Total	25,530	25,730	199
105,739	3,041	Adult Social Care	Expenditure	108,780	109,188	408
(27,322)	(1,326)		Income	(28,648)	(29,108)	(460)
78,417	1,715		Sub-Total	80,132	80,080	(52)
186,213	1,132	Total Directorate Operating Budgets		187,345	186,822	(523)

23. An underspend of £104k is reported on Administration budgets mainly from due to elected members no longer being eligible to join the Local Government Pension Scheme. Shortfalls in projected income for a number of services are being managed within this position.

24. An underspend of £37k is being reported on Finance budgets as a result of slightly higher than budgeted levels of vacancies within Finance.

25. A net underspend of £530k is reported on Residents Services budgets, with strong performance on income generation across the group and minor underspends off-setting potential risk items within Development and Assets.

26. An overspend of £199k is reported in Children and Young People's Services, primarily due to a reliance on more costly agency staff as the service transitions to a permanent structure. Within this position, substantial investment in managed services to support this transition is being managed from earmarked reserves.

27. A net underspend of £52k is projected on Adult Social Care budgets, with a number of management actions in place to mitigate costs pressures on externally contracted Homecare provision and delays in delivery of Supported Living properties.

Progress on Savings

28. The Council's 2015/16 General Fund revenue budget contains £10,034k savings, with £9,907k new items approved by Cabinet and Council in February 2015 and a further £127k of items in progress brought forward from prior years. Delivery against these targets is closely monitored through the Council's Business Improvement Delivery Programme and regular updates are presented to the Hillingdon Improvement Programme Steering Group.

29. At Month 2, £1,761k savings are already reported as banked, with a further £4,265k on track for delivery in full during the current financial year. At this early stage in the financial year £4,008k savings are being classed as amber, primarily due to being in the early stages of implementation. No items are being reported as having serious risks of non-delivery at this stage.

Table 3: Savings Tracker

2015/16 General Fund Savings Programme	Admin. & Finance	Residents Services	Adult Social Care	Children & Young People's Services	Total Savings	
	£'000	£'000	£'000	£'000	£'000	%
B Banked	(152)	(969)	(605)	(35)	(1,761)	17.6%
G On track for delivery	(889)	(2,589)	(742)	(45)	(4,265)	42.5%
A Potential significant savings shortfall or a significant or risky project which is at an early stage;	(342)	(790)	(1,970)	(906)	(4,008)	39.9%
R Serious problems in the delivery of the saving	0	0	0	0	0	0.0%
Total 2015/16 Savings	(1,383)	(4,348)	(3,317)	(986)	(10,034)	100.0%

Corporate Operating Budgets (£850k underspend)

30. Corporately managed expenditure includes revenue costs of the Council's Capital Programme, externally set levies and income arising from provision of support services to other funds and ring-fenced budgets. These budgets are relatively non-volatile and therefore limited movement in forecast outturn is expected.

31. Within Interest and Investment Income, on-going reviews of capital financing options and proactive management of the Council's loans and investments is expected to deliver an underspend of £850k in the current financial year.

32. Housing Benefit activity, including payments to claimants and associated grant funding receivable from the Department of Work and Pensions, is now reported within Corporate Operating Budgets. The principal variable in this position is the Council's recovery of overpayments, which at this early stage of the year is projected in line with budget.

Table 4: Corporate Operating Budgets

Original Budget £'000	Budget Changes £'000	Service	Month 2		Variance (As at Month 2) £'000	
			Revised Budget £'000	Forecast Outturn £'000		
0	0	Interest and Investment Income	Salaries	0	0	0
9,861	(46)		Non-Sal Exp	9,815	8,965	(850)
(691)	0		Income	(691)	(691)	0
9,170	(46)		Sub-Total	9,124	8,274	(850)
493	0	Levies and Other Corporate Budgets	Salaries	493	493	0
11,926	(200)		Non-Sal Exp	11,726	11,726	0
(12,235)	0		Income	(12,235)	(12,235)	0
185	(200)		Sub-Total	(15)	(15)	0
0	0	Housing Benefit Subsidy	Salaries	0	0	0
151,736	0		Non-Sal Exp	151,736	151,736	0
(152,296)	0		Income	(152,296)	(152,296)	0
(560)	0		Sub-Total	(560)	(560)	0
8,795	(246)	Total Corporate Operating Budgets		8,549	7,699	(850)

Development & Risk Contingency (£1,328k pressure)

33. The Council has set aside £11,604k to manage volatile and uncertain elements of budgets within the Development & Risk Contingency, which included £10,604k in relation to specific risk items and £1,000k as General Contingency to manage unforeseen risk items. As expected with such volatile areas, a number of variances are highlighted at this early stage in the monitoring cycle.

Table 5: Development & Risk Contingency

Original Budget £'000	Budget Changes £'000	Service	Month 2		Variance (As at Month 2) £'000	
			Revised Budget £'000	Forecast Outturn £'000		
400	0	Fin.	Uninsured Claims	400	400	0
236	0	Residents Services	Carbon Reduction Commitment	236	236	0
1,836	0		Impact of welfare reform on homelessness	1,836	1,836	0
2,211	0		Waste Disposal Levy (Demand-led Tonnage Increases)	2,211	2,171	(40)
1,272	0	Children and Young People	Asylum Funding Shortfall	1,272	2,212	940
465	0		Social Care Pressures (Children's)	465	1,793	1,328
(117)	0		Early Support Cost Avoidance	(117)	(117)	0
1,298	0		Potential Shortfall in Social Care & Health Integration Funding	1,298	1,298	0
380	0	Adult Social Care	Increase in Transitional Children due to Demographic Changes	380	380	0
393	0		Winterborne View	393	393	0
520	0		SEN Transport	520	120	(400)
129	0		Social Care Pressures (Adult)	129	129	0
250	0	Corp. Items	Pump Priming for BID Savings	250	250	0
2,067	(736)		Care Act New Burdens	1,331	1,331	0
1,000	0		General Contingency	1,000	500	(500)
12,340	(736)	Total Development & Risk Contingency		11,604	12,932	1,328

34. A minor improvement is reported on waste disposal costs at this early stage in the financial year, with the latest tonnage figures suggesting a £40k reduction in the contingency requirement for 2015/16 payments to the West London Waste Authority. This position will remain under review.

35. A gross pressure of £1,440k is currently being reported on Asylum services, arising from a combination of the £675k funding cut confirmed by the Home Office in March 2015

and a change in the age profile of service clients towards over 18s which attract a lower level of grant funding. There are a number of management actions being put in place to contain and ultimately eliminate this pressure. It has been assumed that this action will reduce the pressure by £500k to £940k in the current financial year.

36. A pressure of £1,328k is reported on Children's Social Care placement costs, which is being primarily driven by increased use of Special Guardianship Orders in place of Adoptions following recent court rulings. This has the effect of directly increasing costs through payment of allowances in line with foster care arrangements, and effectively removes a foster carer from the system necessitating the use of alternative placements.
37. Within Adult Social Care, a review of transport provision across both Special Educational Needs and Disabled Adult client groups is expected to result in a £400k reduction in the contingency requirement as the service moves to supporting independent travel where appropriate. Given the early stages of implementation, the financial impact will continue to be closely monitored.
38. The 2015/16 revenue budget included £1,000k of General Contingency to manage unforeseen cost pressures over and above those specific items included in Development and Risk Contingency. It is projected that only £500k of this sum will be required, in line with the outturn position in recent years.

Priority Growth

39. The 2015/16 General Fund revenue budget approved by Cabinet and Council in February 2015 set aside £804k of unallocated Priority Growth, in addition to £800k of specific growth monies to support HIP Initiatives. To date £150k has been allocated from Unallocated Priority Growth, to support an increase in support for the First Time Buyer's Initiative. It is expected that unallocated growth monies will be applied in full during 2015/16 and not be released into General Balances.
40. The original HIP Initiatives Budget has been supplemented by £430k of uncommitted funds brought forward from 2014/15, providing a balance of £1,230k for investment in the current year. To date approved projects total £156k, leaving £1,074k available for new initiatives.

Table 6: Priority Growth

Original Budget £'000	Budget Changes £'000	Priority Growth	Month 2		
			Revised Budget £'000	Approved Allocations £'000	Unallocated Balance £'000
800	430	HIP Initiatives Budgets	1,230	156	(1,074)
0	(430)	B/fwd Funds	(430)	(430)	0
804	(150)	Unallocated Priority Growth	654	0	(654)
1,604	(150)	Total Priority Growth	1,454	(274)	(1,728)

Schools Budget, Parking Revenue Account and Collection Fund

41. Latest forecasts on other funds indicate favourable positions at year end and therefore will not adversely impact upon the General Fund.

42. A headline pressure of £2,160k is reported on the Schools Budget, consisting of £2,046k monies released or earmarked by Schools Forum from the brought forward surplus, a £439k pressure on demand-led SEN funding delegated to schools, £131k pressure in relation to funding set-up costs at newly opened primary schools and a £456k increase in grant income due to increased pupil numbers. The elements of the schools budget managed by the Council are forecast to breakeven at Month 2.
43. A surplus of £121k is forecast on the Parking Revenue Account at Month 2, reflecting increased income seen in late 2014/15 and significant savings on expenditure met from the account. Given the volatile nature of enforcement and on-street parking income streams, this position will continue to be closely monitored.
44. The overall outlook for the Collection Fund is positive, with a surplus of £1,588k anticipated at this early stage of the year arising from a £2,563k surplus on Council Tax and £975k deficit on Business Rates. The deficit position on Business Rates relates to continuing delays in new properties being brought onto the rating list by the Valuation Office Agency. Any surplus or deficit will be released to the General Fund from 2016/17 and reflected in the Council's Medium Term Financial Forecast.

Housing Revenue Account Budget

45. An in-year surplus of £11k is forecast on the Housing Revenue Account at Month 2, with a £303k loss of income due to increased Right to Buy sales since the budget was set in February 2015 being off-set by vacancies across HRA funded services. Unallocated General Balances within the HRA are therefore projected to increase to £32,251k as a result of the £11k surplus and £1,663k planned contribution to balances. The current forecast reflects work that is underway to secure the £2,448k of savings included in the 2015/16 budget.
46. Within the HRA capital programme, slippage of £13,308k is reported at Month 2 which includes £2,586k on works to stock activity and £10,722k on new build activity. Slippage on new build projects reflects the fact that works are unlikely to commence during 2015/16.
47. As at Month 2, 21 properties have been sold under Right to Buy arrangements with a total of 140 sales forecast for 2015/16 in line with budget assumptions. To date £29,584k income has been generated through sales since January 2014, with the initial tranche of receipts repayable to DCLG in March 2016 if not utilised.

Future Revenue Implications of Capital Programme

48. Appendix D to this report outlines the forecast outturn on the 2015/16 to 2019/20 capital programme, which highlights deferral of capital receipts and loss of grant income expected to require £3,908k of additional borrowing in 2015/16, falling to £1,769k over the life of the programme. It is likely that the on-going financing costs of this level of additional borrowing could be contained within existing capital financing provision through proactive treasury management; this position will remain under review and reflected in the Council's Medium Term Financial Forecast as appropriate.

Appendix A – Detailed Group Forecasts (General Fund)

ADMINISTRATION (£104k underspend)

49. The Administration Group is showing an underspend of £104k at Month 2 due to reduced expenditure on Members Allowance budgets as Members are no longer part of the Local Government Pension Scheme. There is also reduced expenditure on the IKEN Contract within Legal Services. Income pressures within Democratic Services on Nationality and Citizenship Ceremonies and in HR on external training courses are being managed within the relevant service areas. The MVF pressure on Policy and Partnerships is also currently being managed within the Service Area.

Table 7: Administration Operating Budgets

Original Budget	Budget Changes	Service		Month 2		Variance (As at Month 2)
				Revised Budget	Forecast Outturn	
£'000	£'000			£'000	£'000	£'000
1,461	0	Democr. Services	Salaries	1,461	1,461	0
1,841	(40)		Non-Sal Exp	1,801	1,661	(140)
(658)	40		Income	(618)	(576)	42
2,645	0		Sub-Total	2,645	2,546	(99)
2,319	80	Human Resources	Salaries	2,399	2,386	(13)
626	(30)		Non-Sal Exp	596	594	(2)
(286)	43		Income	(243)	(228)	15
2,659	92		Sub-Total	2,751	2,752	1
1,955	34	Legal Services	Salaries	1,989	1,989	(0)
111	0		Non-Sal Exp	111	105	(6)
(341)	0		Income	(341)	(341)	0
1,725	34		Sub-Total	1,759	1,753	(6)
592	0	Policy & Partnerships	Salaries	592	609	17
2,228	0		Non-Sal Exp	2,228	2,216	(12)
(46)	0		Income	(46)	(51)	(5)
2,774	0		Sub-Total	2,774	2,774	(0)
6,327	114	Admin. Directorate	Salaries	6,441	6,445	4
4,806	(70)		Non-Sal Exp	4,736	4,576	(160)
(1,331)	83		Income	(1,248)	(1,196)	52
9,803	126		Total	9,929	9,825	(104)

FINANCE (£37k underspend)

50. The Finance Group is showing an underspend of £37k at month 2 due to vacant posts in the Operational Finance area.

Table 8: Finance Operating Budgets

Original Budget £'000	Budget Changes £'000	Service	Month 2		Variance (As at Month 2) £'000	
			Revised Budget £'000	Forecast Outturn £'000		
487	0	Internal Audit	Salaries	487	487	0
56	0		Non-Sal Exp	56	56	(0)
0	0		Income	0	0	0
543	0		Sub-Total	543	543	(0)
2,185	(150)	Procurement	Salaries	2,035	2,035	0
121	0		Non-Sal Exp	121	121	0
(2)	0		Income	(2)	(2)	(0)
2,304	(150)		Sub-Total	2,153	2,154	0
3,360	(30)	Operational Finance	Salaries	3,330	3,293	(37)
679	0		Non-Sal Exp	679	679	(0)
(159)	0		Income	(159)	(159)	0
3,880	(30)		Sub-Total	3,850	3,813	(37)
3,868	34	Revenues & Benefits	Salaries	3,902	3,902	0
2,285	0		Non-Sal Exp	2,285	2,285	0
(2,166)	0		Income	(2,166)	(2,166)	0
3,986	34		Sub-Total	4,020	4,021	0
1,300	132	Strategic Finance	Salaries	1,432	1,432	(0)
2,526	0		Non-Sal Exp	2,526	2,526	(0)
(256)	0		Income	(256)	(256)	(0)
3,571	132		Sub-Total	3,703	3,702	0
11,199	(14)	Finance Directorate	Salaries	11,185	11,149	(37)
5,668	0		Non-Sal Exp	5,668	5,667	(1)
(2,583)	0		Income	(2,583)	(2,583)	0
14,284	(14)		Total	14,270	14,233	(37)

51. The Insurance Position is balanced at Month 2.

Table 9: Development & Risk Contingency

Original Budget £'000	Budget Changes £'000	Development & Risk Contingency	Month 2		Variance (+ adv / - fav)
			Revised Budget £'000	Forecast Outturn £'000	Variance (As at Month 2) £'000
400	0	Uninsured Claims	400	400	0
400	0	Current Commitments	400	400	0

RESIDENTS SERVICES GENERAL FUND (£530k underspend)

52. Residents Services directorate is showing a projected outturn underspend of £530k at Month 2, excluding pressure areas that have identified contingency provisions.

Table 10: Group Operating Budgets

Original Budget £'000	Budget Changes £'000	Service	Month 2		Variance (As at Month 2) £'000	
			Revised Budget £'000	Forecast Outturn £'000		
13,368	0	Deputy Director Residents Services	Salaries	13,368	13,368	0
21,204	0		Non-Sal Exp	21,204	21,204	(0)
(10,051)	0		Income	(10,051)	(10,051)	0
24,521	0		Sub-Total	24,521	24,521	0
1,844	(90)	Development and Assets	Salaries	1,754	1,754	(0)
7,575	0		Non-Sal Exp	7,575	8,214	640
(2,397)	0		Income	(2,397)	(2,397)	0
7,021	(90)		Sub-Total	6,932	7,571	640
803	0	Estates and Tenancy Management	Salaries	803	803	0
1,254	0		Non-Sal Exp	1,254	1,254	(0)
(3,414)	0		Income	(3,414)	(3,255)	159
(1,357)	0		Sub-Total	(1,357)	(1,198)	159
5,050	0	Highways and Community Engagement	Salaries	5,050	4,966	(84)
6,004	0		Non-Sal Exp	6,004	5,979	(25)
(12,572)	0		Income	(12,572)	(12,779)	(207)
(1,519)	0		Sub-Total	(1,519)	(1,834)	(315)
4,135	0	Planning and Enforcement	Salaries	4,135	4,049	(86)
1,626	0		Non-Sal Exp	1,626	1,606	(20)
(2,972)	0		Income	(2,972)	(3,192)	(220)
2,789	0		Sub-Total	2,789	2,463	(326)
12,777	17	Green Spaces & Culture	Salaries	12,794	12,626	(168)
9,229	(336)		Non-Sal Exp	8,893	8,611	(282)
(9,819)	0		Income	(9,819)	(9,819)	0
12,186	(319)		Sub-Total	11,868	11,418	(450)
7,916	24	Information, ICT and Customer Development	Salaries	7,940	7,784	(156)
4,241	200		Non-Sal Exp	4,441	4,441	(0)
(2,767)	0		Income	(2,767)	(2,767)	0
9,390	224		Sub-Total	9,614	9,458	(156)
5,279	(17)	Business and Technical Support	Salaries	5,261	4,931	(330)
879	0		Non-Sal Exp	879	841	(38)
(3,772)	0		Income	(3,772)	(3,482)	290
2,386	(17)		Sub-Total	2,368	2,290	(78)
3,537	(1,035)	Standards - Education, Housing and Public	Salaries	2,502	2,468	(34)
5,236	75		Non-Sal Exp	5,311	5,329	18
(5,559)	14		Income	(5,545)	(5,532)	13
3,214	(945)		Sub-Total	2,269	2,265	(4)
54,707	(1,100)	Residents Services	Salaries	53,607	52,749	(858)
57,248	(61)		Non-Sal Exp	57,187	57,479	292
(53,324)	14		Income	(53,310)	(53,274)	36
58,631	(1,147)		Total	57,484	56,954	(530)

53. The overall variance is a result of pressure on maintenance budgets in development & assets as well as parking income shortfalls at Cedars and Grainges car parks, offset mainly by staffing underspends across the group and favourable income projections in highways and planning.
54. The Council's 2014/15 contingency budget contains provision for areas of expenditure or income within Residents Services for which there is a greater degree of uncertainty. The position against these contingency items is shown in Table 2 below.
55. At month 2 projected calls on contingency is as per the budgeted provision. The table below shows the breakdown for each contingency item.

Table 11: Development and Risk Contingency

Original Budget £'000	Budget Changes £'000	Development & Risk Contingency	Month 2		Variance (As at Month 2) £'000
			Revised Budget £'000	Forecast Outturn £'000	
236	0	Carbon Reduction Commitment	236	236	0
1,836	0	Impact of welfare reform on homelessness (Current)	1,836	1,836	0
2,211	0	Waste Disposal Levy (Demand-led Tonnage Increases)	2,211	2,171	(40)
4,283	0	Current Commitments	4,283	4,243	(40)

56. Further to continuing pressures on the Housing Needs budget (£1,753k overspend in 2013/14), contingency of £1,836k has been set aside in 2015/16 to resource the need for Temporary Accommodation in the Borough. The call on contingency relating to homelessness is currently projected to be £1,836k, which is as per the budgeted provision (no change). However, overall numbers in temporary accommodation and in bed & breakfast units have been above MTF assumptions for the entirety of the first quarter. However, at this early stage in the financial year it is anticipated that costs can be contained within the contingency sum, through improvements in numbers going forward and reducing costs elsewhere in the Housing budgets.
57. Temporary Accommodation and housing advice data for the period April to June are shown below. B&B numbers remain at levels seen in 2014/15, with sustained levels of demand being experienced within the service as shown by the Homeless Threat, priority need & eligible indicator below.

Table 3: Housing Needs performance data

	2015		
	April	May	June
Homeless Threat, Priority Need & Eligible	82	93	96
Presenting As Homeless	41	56	40
Duty Accepted	20	29	23
Households in Temporary Accommodation	569	574	576
Households in B&B	184	184	182

58. A contingency of £2,211k has been set aside to fund estimated increases in waste tonnages via the levy and the move to a new compliant rubble and hardcore contract. In June 2015, the Council commenced a new dry recycling contract, which is returning a variable net cost per tonne of recyclate collected, as opposed to producing a small income stream in 2014/15, following a change in market conditions.
59. At this early stage in the financial year it is projected that there will be a £40k favourable variance against the contingency. This is based on the latest Q1 tonnage figures from West London Waste.
60. The contingency for the Carbon Reduction Commitment is for the estimated costs to purchase carbon allowances.

Deputy Director Residents Services (breakeven)

61. Following the cessation of the short-term grant funding from the DCLG in support of weekly recycling and food waste collections, it is forecast that the Council will be required to start to draw from reserves during 2015/16 for this activity.
62. The council has built up an earmarked reserve from the initial funding tranches which it is anticipated will be sufficient to fund the cost of continuing to run the service over the next two financial years.

Development and Assets (£640k overspend)

63. There is a forecast pressure of £395k due to a high level of reactive maintenance works based on previous years' expenditure, relating to works at the civic centre and borough wide. There is ongoing work on existing contracts, to enable this pressure to be managed down and ensure only essential works are undertaken.
64. There is potential pressure of £105k from abortive fees in corporate construction, based on 2014/15 outturn.
65. A number of one-off rectification works at the Civic Centre have been identified following compliance testing. After allowing for capital items this is currently forecast at £140k.

Estates and Tenancy Management (£159k overspend)

66. At Month 2 there is a projected income pressure of £159k on garages income. The 2015/16 MTFF allocated a savings target of £441k to the garage service. At this early stage of the financial year, the service is projecting a pressure of £159k, owing to a slow take up of new rentals and a higher than expected attrition rate from existing leaseholders.

Policy, Highways & Community Engagement (£315k underspend)

67. At month 2, the service is reporting a staffing underspend of £84k, and an underspend of £25k from various non-staffing budgets across the service area. Initial projections for income across the service is £207k above the budgeted target from crossovers and various other income streams.

Planning and Enforcement (£326k underspend)

68. There are staffing underspends across the service of £84k, primarily in planning enforcement.
69. There is a projected net overachievement of Development Control income of £220k, which assumes a continuation of exceeding the budgeted income experienced in 2014/15.

Green Spaces, Sport & Culture (£450k underspend)

70. The service is projecting a salary underspend of £168k relating to restructures not yet implemented.
71. There are further underspends across non-staffing budgets and the key items relate to low early indications of spend in Adult Learning on utilities and other supplies plus underspends identified within Green Spaces.

Communications, ICT and Customer Development (£156k underspend)

72. The service is reporting a salary underspend of £156k at month 2. The composition is of underspends in ICT (£99k) and Communications (£57k). ICT and communications currently have vacant posts with only partial cover through fixed term contracts and agency staff.

Business and Technical Support (£78k underspend)

73. The off-street parking income at the Cedars and Grainges multi-storey car parks continues to experience pressure relating to the loss of season ticket income at both car parks. The most recent income projection forecasts a pressure of £290k.
74. There is a projected underspend of £330k relating to vacant posts across the service that are not expected to be filled this year. The projection will be revised once restructures are completed.
75. There is a projected underspend on non-staffing costs of £38k that are not expected to be required further to the vacant posts discussed above.

Policy and Standards - Education, Housing and Public Health (£4k underspend)

76. The service is forecasting an underspend of £4k, relating to staffing restructures.
77. The underachievement of income is largely attributable to the School Improvement Service, as the Council no longer generates income for providing Governance Support advice as the service has been outsourced. This has improved slightly due to a revision of salary and income projections, netted down by an increase in non salaries costs.

CHILDREN & YOUNG PEOPLE'S SERVICES (£199k overspend)

Overview of Directorate position

78. The Children and Young People's Service is projecting an overspend of £199k as at Month 2. The Month 2 position is reflecting an overspend of £175k on Salaries, due to a more accurate assessment being made on agency appointments and ongoing recruitment activity. The overspend reported relates to a high level of agency staff whilst the service undertakes a major recruitment campaign to the new structures. This relates to the front door service area (incorporating the Triage, Multi Agency Safeguarding Hub(MASH) and the Children in Need Services) and the Children in Care Service, but also includes the recruitment of Team Managers and Newly Qualified Social Workers across the whole service, as well as considering any potential conversion of agency staff into permanent roles.
79. Senior management are continuing to ensure that agency staff are appointed only where there is a defined need, which has enabled the service to stabilise agency staff turnover to a point where most agency staff have now been employed for more than 42 weeks in Hillingdon. However, the overspend still reflects the current position on the staffing establishment where the service has a high level of vacant posts, including a number of Senior Manager posts, the majority of which are being covered by agency staff (the actual cost of this approach results in an above budget expenditure of £1,873k, where £1,298k will be funded from the Risk Contingency and £400k will be funded from the Social Care Initiative Fund). The agency market for Social Workers remains highly competitive with a consequential pressure on pay rates in order to retain and attract good quality staff.
80. The service also continues to need a high level of sessional staff to support children's contact as instructed by the courts.
81. There is an overspend of £3,171k on non-staffing budgets, due to an increase in the projected costs of looked after children allowances. The majority of this overspend relates to the cost of procuring three managed services to support the service through the restructure transition stage and includes the Duty Team (managed by Skylakes, at a projected annual cost of £2,472k) and additional resources to support the implementation of new ways of working in the Fostering and Adoption service (Coram and HCL, at an estimated cost of £54k and £190k respectively). The remainder of the overspend relates to an increase in the amount of allowances that are paid to looked after children.
82. There is a projected surplus of £3,147k on income, which is due primarily to income received that offsets expenditure outlined above. A number of these will be realigned to ensure that appropriate expenditure and income budgets are in place for month 3. The majority of the income (£2,716k) relates to a planned transfer of earmarked reserves to fund the costs of the procured managed services mentioned above. The remainder relates to income that has been received from a number of external partners, including Health, the Youth Justice Board and Education.
83. The projected variances at Month 2 are summarised in the following table, with more detail provided in the paragraphs below:

Table 13: Group Operating Budgets

Original Budget £'000	Budget Changes £'000	Service	Month 2		Variance (As at Month 2) £'000	
			Revised Budget £'000	Forecast Outturn £'000		
1,038	130	Safeguarding Children	Salaries	1,167	1,243	76
1,579	7		Non-Sal Exp	1,586	1,744	160
(150)	0		Income	(150)	(225)	(75)
2,467	137		Sub-Total	2,603	2,762	159
3,545	(326)	Early Intervention Services	Salaries	3,219	3,073	(146)
3,631	445		Non-Sal Exp	4,076	3,975	(101)
(707)	0		Income	(707)	(843)	(136)
6,469	119		Sub-Total	6,588	6,205	(383)
2,091	876	Looked After Children	Salaries	2,967	2,954	(13)
744	13		Non-Sal Exp	757	3,141	2,384
(294)	0		Income	(294)	(2,595)	(2,301)
2,541	889		Sub-Total	3,430	3,500	70
8,352	(1,006)	Children's Resources	Salaries	7,347	7,604	257
12,428	312		Non-Sal Exp	12,740	13,470	730
(7,177)	0		Income	(7,177)	(7,811)	(634)
13,603	(694)		Sub-Total	12,910	13,263	353
15,025	(326)	Children's and Young Persons Directorate	Salaries	14,699	14,874	175
18,382	777		Non-Sal Exp	19,159	22,330	3,171
(8,327)	0		Income	(8,327)	(11,474)	(3,147)
25,079	451		Total	25,530	25,730	199

Safeguarding Children: (£159k overspend)

84. The service is reporting an overspend of £159k, which is due to a projected increase in costs relating to the provision of Child Protection and the Local Safeguarding Children's Board (LSCB). The service pressure relates to an overspend of £76k on staff due to high levels of agency staff covering vacant posts, an overspend of £160k on non staffing which relates to an increase in Child Protection, LSCB and Family Conference delivery costs, netted down by a surplus of £75k on income, some of which directly offsets the additional delivery costs noted.

Early Intervention Services: (£383k underspend)

85. The service is reporting an underspend of £383k, due to the cessation of the contract with CfBT and integration of the services delivered into the Council's staffing structure and the receipt of additional funding from Central Government relating to the Troubled Families Programme. The service underspend reported relates to an underspend of £146k on salaries, which is due to a relatively high number of vacant posts that exist in the new structure, which need to be recruited to, reflecting the impact of implementing the new structures. An underspend of £101k on non-staffing costs, which relates to the cessation of the CfBT contract and a surplus of £136k on income due to the receipt of additional grant funding.

Looked After Children: (£70k overspend)

86. The service is reporting an overspend of £70k due to a review of training costs. The overspend reported relates to a £13k underspend on staffing costs, an overspend of £2,384k on non staffing costs, which relates to the cost of the Skylakes managed service and a surplus of £2,301k on income to reflect a proposed use of earmarked reserves to fund the Skylakes managed service.

Children's Resources: (£353k overspend)

87. The service is reporting an overspend of £353k, due to an increase in the costs of agency staff and the cost of allowances. The overspend reported relates to an overspend of £257k on staffing due to a high level of agency staff being employed prior to instigating a major staff recruitment campaign. There is an overspend of £730k on non staffing costs, due primarily to the cost of allowances, netted down by additional income of £634k from a range of sources including rental income.

Overview of Development & Risk Contingency Items

Table 14: Development & Risk Contingency

Original Budget £'000	Budget Changes £'000	Development & Risk Contingency	Month 2		Variance (As at Month 2) £'000
			Revised Budget £'000	Forecast Outturn £'000	
1,272	0	Asylum Funding Shortfall	1,272	2,212	940
465	0	Social Care Pressures (Children's)	465	1,793	1,328
(117)	0	Early Support Cost Avoidance	(117)	(117)	0
1,298	0	Potential Shortfall in Social Care & Health Integration Funding	1,298	1,298	0
2,918	0	Current Commitments	2,918	5,186	2,268

88. The Development & Risk Contingency is projecting an overspend of £2,268k, which relates to the increased cost of supporting Asylum Seekers who have turned 18 and an increase in the projected costs of looked after children placements, where the residential placement numbers have increased, due to the complex nature of individual children's needs and in some instances to safeguard the child.

Asylum Service: (£940k overspend)

89. This service is projecting a drawdown of £2,212k from the Development and Risk Contingency, £940k above the budget, which reflects a range of management action that will be put in place to try to reduce expenditure or increase income. This will be a challenge for the service, as the growth in the over 18 population is projected to increase at a higher rate than the number of new Asylum Seekers below 18, where the grant is significantly higher (£114 per day for eligible under 16's, £91 per day for eligible 16 to 17 year olds and £150 per week for eligible 18+). The overspend reported, relates to a reduction in the Home Office Grant by an estimated £675k, which was notified in March 2015 and a reduction in the grant funding received, which relates to the change in the age profile of Asylum Seeking children.

Social Care Pressures (Children's Demographics): (£1,328k overspend)

90. The service is projecting a drawdown of £1,793k from the Development and Risk Contingency, £1,328k above the budget due to an increase in the number of residential placements that will be made to support children with complex needs and those where there is an identified safeguarding risk. Over the last year, there have been a number of changes across this part of the service, this includes the extension of the Staying Put legislation, which increases the age range for children up from 18 to 21 to stay in their current foster care placement, a significant move towards the issuing of Special Guardianship Orders and a court ruling requiring connected persons to be paid an allowance equivalent to an In House Foster Carer. All of these changes have increased the cost of placements. They also remove a potential In House Foster Carer from the system as in most cases the new arrangements restricts them from looking after new children. Table 15 sets out the analysis of the costs of looked after children placements (split between Asylum, Non Asylum and Hillingdon Children's Homes) and the cost of permanent placements (Adoption and Special Guardianship Orders). Table 16 provides an analysis of the age profile, which indicates that 345 children (51%) of the total LAC population is 16 and over, with Asylum Seekers accounting for 201 of them:

Table 15: Looked After Children Placement Costs

May 2015 Projections	Projected		2015/16	2015/16	2015/16
	15/16		Budget	Projected	Variance
	Numbers	%	£000	£000	£000
Looked After Children (LAC) Placements					
Secure/Remand Accommodation	2	0%	260	389	130
Residential	19	3%	933	2,213	1,280
High Cost Residential	5	1%	200	564	364
Semi Independent Living	42	6%	595	854	259
In House Fostering	76	11%	1,814	1,045	-769
Independent Fostering Agency (IFA)	75	11%	1,853	1,790	-63
Staying put In House Fostering	5	1%	0	55	55
Staying put IFA	2	0%	0	40	40
Total LAC Placement	226	33%	5,655	6,951	1,297
Permanent Placements					
Special Guardianship Orders	95	14%	169	1,266	1,097
Adoption Orders	30	4%	710	238	-472
Residence Orders	37	5%	238	247	9
Post adoption support	28	4%	399	260	-139
Total Permanent Placements	190	28%	1,516	2,012	496
Risk Contingency			465		-465
Total Non Asylum LAC	416		7,636	8,963	1,328
Asylum Seekers					
Asylum Residential	20	3%	251	235	-16
Asylum In House Fostering	20	3%	258	443	185
Asylum IFA	7	1%	530	297	-233
Asylum Staying put In House	2	0%	0	21	21
Asylum Staying put IFA	2	0%	0	34	34
Asylum Rents	165	24%	445	1,277	832
Total Asylum Seekers	216	32%	1,483	2,305	822
LBH In House Provision					
Olympic House	30	4%	329	325	-4
Charville	11	2%	271	272	1
Mulberry	3	0%	751	876	125
Total LBH In House Provision	44	7%	1,351	1,473	122
Total May 2015	676	100%	10,469	12,742	2,272

Table 16: Looked After Children Placement Age Profile

Placement	Age Range						Total
	0-2	2-5	5-11	11-16	16-18	18+	
Looked After Children (LAC) Placements							
Secure/Remand Accommodation	0	0	0	0	2	0	2
Residential	2	0	4	7	6	0	19
High Cost Residential	0	0	1	2	2	0	5
Semi Independent Living	0	0	0	0	27	15	42
In House Fostering	9	11	19	25	12	0	76
IFA	7	8	19	25	14	2	75
Staying put In House Fostering	0	0	0	0	0	5	5
Staying put IFA	0	0	0	0	0	2	2
Total LAC Placements	18	19	43	59	63	24	226
Permanent Placements							
Special Guardianship Orders	5	17	41	24	8	0	95
Adoption Orders	0	1	10	14	5	0	30
Residence Orders	0	2	5	22	8	0	37
Post Adoption Support	0	2	13	13	0	0	28
Total Permanent Placements	5	22	69	73	21	0	190
Total Non Asylum LAC	23	41	112	132	84	24	416
Asylum Seekers							
Asylum Residential	0	0	0	3	15	2	20
Asylum In House Fostering	0	0	0	8	11	1	20
Asylum IFA	0	0	0	4	2	1	7
Asylum Staying put In House	0	0	0	0	0	2	2
Asylum Staying put IFA	0	0	0	0	0	2	2
Asylum Rents	0	0	0	0	27	138	165
Total Asylum Seekers	0	0	0	15	55	146	216
LBH In House Provision							
Olympic House	0	0	0	0	30	0	30
Charville	0	0	1	5	5	0	11
Mulberry	0	0	0	2	1	0	3
Total LBH In House Provision	0	0	1	7	36	0	44
Total May 2015	23	41	113	154	175	170	676
Percentage Distribution	3%	6%	17%	23%	26%	25%	100%

Early Support Cost Avoidance: (Nil variance)

91. The service is projecting that it will be able to deliver a saving of £117k identified within the Development and Risk Contingency, through a review of the resources required to deliver the new Early Support and Intervention services.

Social Care and Health funding contingency: (Nil variance)

92. The service is projecting a drawdown of £1,298k from the Development and Risk Contingency, in line with the budget. This relates to the additional cost of appointing agency staff, whilst the service implements a major recruitment campaign.

ADULT SOCIAL CARE (£52k underspend)

93. As at Month 2, Adult Social Care is forecasting an underspend of £52k, however there are number of pressures which the service is currently mitigating through robustly managing the overall expenditure and income within the base budgets. The in year savings anticipated from the delivery of the supported living programme have slipped as there have been delays in the opening dates of schemes. There are pressures within the home care market as the block contract providers are experiencing difficulties in recruiting staff leading to more use of spot purchases. The timetable for the delivery of new models for Learning Disabilities has also slipped into 2016/17 and there are cost pressures arising from the new agency staff contract.

Table 17: Adult Social Care Operating Budgets

Original Budget £'000	Budget Changes £'000	Service	Month 2		Variance (As at Month 2) £'000	
			Revised Budget £'000	Forecast Outturn £'000		
5,402	2,718	All-Age Disabilities	Salaries	8,120	8,020	(100)
44,007	0		Non-Sal Exp	44,007	44,488	481
(6,852)	(1,326)		Income	(8,178)	(8,596)	(418)
42,557	1,392		Sub-Total	43,951	43,912	(39)
4,294	7	Social Work	Salaries	4,301	4,278	(23)
29,110	(7)		Non-Sal Exp	29,103	29,108	5
(8,267)	0		Income	(8,267)	(8,323)	(57)
25,138	(0)		Sub-Total	25,138	25,063	(75)
9,018	0	Early Intervention & Prevention	Salaries	9,018	9,221	203
3,370	0		Non-Sal Exp	3,370	3,224	(146)
(11,826)	0		Income	(11,826)	(11,802)	24
562	0		Sub-Total	562	643	81
2,185	206	Safeguarding, Quality & Partnerships	Salaries	2,391	2,393	2
7,165	28		Non-Sal Exp	7,193	7,176	(17)
(378)	0		Income	(378)	(378)	(0)
8,972	234		Sub-Total	9,206	9,191	(15)
294	122	Directorate & Support Services	Salaries	416	415	(1)
894	(32)		Non-Sal Exp	861	865	4
0	0		Income	0	(9)	(9)
1,188	89		Sub-Total	1,277	1,271	(6)
21,193	3,052	Adult Social Care Directorate Total	Salaries	24,245	24,327	82
84,546	(12)		Non-Sal Exp	84,535	84,861	326
(27,322)	(1,326)		Income	(28,648)	(29,108)	(460)
78,417	1,715		Total	80,132	80,080	(52)

94. The Council's 2015/16 Development and Risk Contingency contains provision for areas of expenditure within Adult Social Care for which there is a greater degree of uncertainty. In part this is caused by the demographic changes in the number of adults requiring care and support for a range of care needs, and Children with Disabilities who transition into Adult Social Care on reaching adulthood, as well as increased demand from Special Educational Needs Children who require transport.

95. There is a contingency arising from the Winterbourne View Review to cover a small number of adults who are currently in long term secured accommodation run by the NHS and are planned to be moved into community settings.
96. Table 18 sets out the forecast spend against the Development & Risk Contingency.

Table 18: Development & Risk Contingency

Original Budget	Budget Changes	Development & Risk Contingency	Month 2		Variance (As at Month 2)
			Revised Budget	Forecast Outturn	
£'000	£'000		£'000	£'000	£'000
380	0	Increase in Transitional Children due to Demographic Changes	380	380	0
393	0	Winterborne View	393	393	0
129	0	Adult Social Care	129	129	0
520	0	Demographic Growth			
		SEN transport	520	120	(400)
1,422	0	Current Commitments	1,422	1,022	(400)

97. At Month 2 it is anticipated that the contingency for Transitional Children, Adults Winterbourne pressures are forecast to be used in full without any additional pressure. These areas are kept under close review and any changes anticipated will be reported as the year progresses. Further work on the transport budget and contingency is being undertaken as part of a review of the provision of transport for SEN and disabled adults that is likely to lead to a reduction of £400k against the full contingency.

All Age Disabilities (AAD) (£39k underspend)

98. The All Age Disability Service approved restructure plan is now being implemented and a recruitment drive is underway to fill vacant posts in the new service. The revised budget now includes the consolidation of budgets and expenditure within Adult Social Care (net increase £1,392k) to reflect the agreed budget for the service. At present, staffing costs are estimated to be £100k underspent but with the current level of vacancies this may increase, more detailed forecasting will be carried out over the next 2 months as permanent staff are recruited and the forecast expenditure becomes clearer.
99. The pressures relating to the Supported Living Programme mainly fall within AAD. Two new schemes were due to open in June, one scheme has been delayed until August and the second until December. Work with providers to deliver smaller scale Supported Living schemes is taking longer than originally planned. The placements budget is showing a pressure of £197k, this pressure is in part offset by additional income from Health.

Social Work (£75k underspend)

100. There are a small number of vacant posts within the Social Work Service and it is currently forecast that salaries will be underspent by £23k.
101. The new homecare contracts that commenced in November 2014 were expected to deliver savings. The providers are experiencing difficulties in recruiting staff to deliver these contracts fully and alternative spot providers are being commissioned to provide

the service at higher unit costs. Despite this increased pressure the action being taken by management to mitigate these costs will ensure that the forecast will be close to budget.

102. Income, mainly from client contributions, is currently forecast to overachieve by £57k.

Early Intervention & Prevention (£81k overspend)

103. A pressure of £203k is forecast against the staffing budget. This pressure is due to an increase in hourly rates being charged for the use of temporary care staff being provided in Council run establishments, by the new provider of agency staff for the Council. This increase in rates is currently being reviewed with the provider. Compensatory savings have been identified in non-staffing budgets.

104. There is slippage in the project to develop new models of delivery for in house Learning Disability services. It is now anticipated that this project will not be completed until 2016/17 and therefore compensatory in year savings have been identified. The identification of the savings has resulted in a forecast underspend of £146k against non-staffing budgets.

105. There is a pressure on the Income budget of £24k due to a shortfall in client contributions.

Safeguarding Quality & Partnerships (£15k underspend)

106. There is a small underspend forecast against the placements budget for Mental Health Services.

Directorate & Support (£6k underspend)

107. The forecast for this service is currently expected to be close to budget by year end.

Appendix B – Other Funds

Schools Budget

Dedicated Schools Grant (£2,160k overspend)

108. The Dedicated Schools Grant is projecting an in year overspend of £2,160k due to a projected increase in the cost of SEN placements, as the service continues to review the banding of children in special schools, resulting in a realignment and increase in school top up funding.

109. The overspend on the DSG, in the main, reflects the planned use of the surplus balance that was carried forward from 2014/15, where additional resources totalling £1,709k were delegated to schools above the actual amount of DSG and £337k has been earmarked to fund the continuation of the two year capacity building initiative. The following table summarises the total DSG income and expenditure for 2015/16.

Table 19: Schools Budget

Original Budget	Budget Changes	Funding Block	Month 2		Variance (As at Month 2)
			Revised Budget	Forecast Outturn	
£'000	£'000		£'000	£'000	£'000
(145,373)	10,693	Dedicated Schools Grant Income	(134,680)	(135,136)	(456)
113,606	(11,766)	Delegated to Schools	101,840	103,549	1,709
4,581	262	Early Years	4,843	5,180	337
3,604	90	Centrally Retained	3,694	3,825	131
23,582	721	Special Needs	24,303	24,742	439
0	0	Total Schools Budget	0	2,160	2,160
0	0	Balance Brought Forward 1 April 2015	(4,083)	(4,083)	
0	0	Balance Carried Forward 31 March 2016	(4,083)	1,923	

Dedicated Schools Grant Income: £456k underspend

110. The Department for Education (DfE) have confirmed that the DSG will be adjusted and increased by £456k following a reconciliation by the DfE of the funding provided for 3 and 4 year olds, where the pupil numbers have increased compared to the estimates used.

Delegated to Schools: £1,709k overspend

111. The overspend of £1,709k is due to Schools Forum agreeing to utilise part of the surplus balance carried forward from 2014/15 by delegating more resources to schools than were provided in the DSG.

Early Years: £337k overspend

112. The Early Years funding block is projecting an overspend of £337k, which is due to Schools Forum allocating these funds above the base budget to fund the continuation of the 2 year old capacity building initiative.

Centrally Retained: (£131k overspend)

113. The centrally retained budgets are projecting an overspend of £131k due to the cost of the three new Basic Need Academy school set up costs and diseconomies of scale funding, including Lake Farm and John Locke, which opened in September 2014 and St Martin's, which will open in September 2015.

Special Needs: £439k overspend

114. The Special Needs budgets are projecting an overspend of £439k due to the service continuing to review the banding of children in special schools, resulting in a realignment and increase in school top up funding.

School Academy Conversions

115. The Academies Act 2010, allows schools to convert to academy status and by doing so will receive funding directly from the Education Funding Agency (EFA). Schools can convert at any point in the year, once they have converted, a number of adjustments will be required to realign the DSG Income budget and the amount delegated to schools. The DfE maintain a register online, indicating which schools are proposing to convert. For Hillingdon, Chantry Special School (renamed the Young People's Academy) converted on 1 April 2015, with the Hillingdon Tuition Centre aiming for a conversion date of 1 August 2015.

Year End Balances

116. The DSG is allowed to carry forward any in year over or underspends. At the end of the 2014/15 financial year, the DSG had a surplus balance of £4,083k. It should be noted that where the DSG is expected to underspend, it is anticipated that this will be factored into the total DSG available for delegation in the following year. At its meeting on 15 January 2015, Schools Forum agreed to include £1,709k of this surplus within the Schools Delegated Budget for 2015/16, additionally they agreed to set aside the £337k two year old capacity funding as an earmarked reserve for the two year old free entitlement offer in 2015/16. Based on the projected outturn position reported in the table above, the projected year end balance will reduce to £1,923k.

Parking Revenue Account (£121k in year surplus)

117. The Parking Revenue Account is established to govern the use of income from Penalty Charges Notices (PCNs), together with other on-street parking income streams, in accordance with Section 55 of the Road Traffic Regulation Act 1984.

Table 20 - Parking Revenue Account

Original Budget	Budget Changes	Service	Month 2		Variance (+ adv / - fav)		
			Revised Budget	Forecast Outturn	Month 2	Movement	
£'000	£'000		£'000	£'000	£'000	£'000	£'000
(4,076)		Income	(4,076)	(4,021)	55		55
4,076		Expenditure	4,076	3,900	(176)		(176)
0	0	In-year (Surplus) / Deficit	0	(121)	(121)	0	(121)

118. An in-year surplus of £121k is forecast for the 2015/16 financial year. There is a total shortfall of income of £55k. The adverse movement relates to a revised projection for Pay & Display income.
119. The income pressure is offset by compensating savings totalling £176k. The favourable position is a result of a review of recharges to the PRA and a decrease in the cost of levies.
120. The Parking Revenue Account is established to govern the use of income from Penalty Charges Notices (PCNs), together with other on-street parking income streams, in accordance with Section 55 of the Road Traffic Regulation Act 1984.

Collection Fund (£1,588k surplus)

121. The collection of local taxes is managed through the Council's Collection Fund in order to avoid short-term volatility in income impacting on provision of services. Sums quoted related to the Council's own share of income and disregard monies collected on behalf of the Greater London Authority and Central Government.
122. The overall outlook for the fund is positive, with a surplus of £1,588k anticipated at this early stage of the year arising from a £2,563k surplus on Council Tax and £975k deficit on Business Rates. Any surplus or deficit will be released to the General Fund from 2016/17 and reflected in the Council's Medium Term Financial Forecast.

Table 21: Collection Fund

Original Budget	Budget Changes	Service	Month 11		Variance (As at Month 2)	
			Revised Budget	Forecast Outturn		
£'000	£'000		£'000	£'000	£'000	
(115,652)	0	Council Tax	Gross Income	(115,652)	(116,809)	(1,157)
14,153	0		Council Tax Support	14,153	13,729	(424)
(2,697)	0		B/fwd Surplus	(2,697)	(3,679)	(982)
(104,196)	0		Sub-Total	(104,196)	(106,759)	(2,563)
(111,480)	0	Business Rates	Gross Income	(111,480)	(109,732)	1,748
(860)	0		Section 31 Grants	(860)	(836)	24
60,287	0		Less: Tariff	60,287	60,287	0
4,598	0		Less: Levy	4,598	3,711	(887)
500	0		B/fwd Deficit	500	590	90
(46,955)	0		Sub-Total	(46,955)	(45,980)	975
(151,151)	0	Total Collection Fund	(151,151)	(152,739)	(1,588)	

123. As a result of strong performance on collection to date and resulting reduction in provision for doubtful debts, an £1,157k overachievement of income is projected on Council Tax income at this early stage. In addition, a reduction in eligibility for the Council Tax Reduction Scheme has been seen since approval of the taxbase in January 2015, accounting for a further favourable variance of £424k at Month 2. Taking

account of the £982k surplus brought forward from 2014/15, £2,563k is therefore expected to be available for release to the General Fund in future years.

124. Primarily as a result of continuing delays in bringing Heathrow Terminal 2 back into the rating list since its opening in June 2014, a deficit of £1,748k is reported on the Council's 30% share of Business Rates income. The corresponding reduction in the levy on growth, alongside minor variances on Section 31 grant income and the brought forward deficit, reduces the ultimate impact on the General Fund to £975k. It is expected that this position will improve as the full value of new hereditaments are reflected in the rating list, with the reported forecast representing a fairly prudent position.
125. Within the reported position on Business Rates, there has been an increase in the provision for appeal losses to reflect a flurry of appeals received by the Valuation Office Agency in early 2015 accounting for approximately £250k of the overall deficit. As this spike in appeals was received in advance of limits being imposed on the backdating of appeals, it is expected that a greater proportion of claims will be speculative in nature and that the level of provision can be reduced as this is evidenced over the coming months.

Appendix C – Housing Revenue Account

126. The Housing Revenue Account (HRA) forecast is a surplus of £11k. The table below presents key variances by service area:

Table 22: Housing Revenue Account

Original Budget £'000	Service	Month 2		Variance (+ adv / - fav)
		Revised Budget £'000	Forecast Outturn £'000	Variance (As at Month 2) £'000
(57,573)	Rent Income	(57,573)	(57,270)	303
(5,347)	Other Income	(5,347)	(5,399)	(52)
(62,919)	Net Income	(62,919)	(62,668)	251
10,805	Housing Management	10,805	10,850	46
5,320	Tenant Services	5,320	5,014	(306)
5,078	Repairs	5,078	5,078	(0)
3,477	Planned Maintenance	3,477	3,477	0
19,810	Contribution to Works to Stock	19,810	19,810	0
15,212	Interest & Investment Income	15,212	15,212	0
1,553	Development & Risk Contingency	1,553	1,553	0
61,256	Operating Costs	61,256	60,995	(262)
(1,663)	(Surplus) / Deficit	(1,663)	(1,674)	(11)
(30,577)	General Balance 01/04/2015	(30,577)	(30,577)	0
(32,240)	General Balance 31/03/2016	(32,240)	(32,251)	(11)

Rental Income

127. Rental income shows an adverse variance of £303k. The reasons for this are stock changes after the production of the MTFF projections:

- The MTFF projections assumed 2014/15 RTBs at 165 when the final position was 191 sales
- The projections also assumed that there would be 31 additions to the stock when instead there was one buyback of 50% of a shared ownership property which did not generate any rental income in 2014/15

128. The delivery team which manages the planned and capital works programme for the HRA is projecting a £263k underachievement of capital recharge income. This is because the HRA capital programme is showing a significant underspend and this will increase until the warm, safe, dry approach is adopted within the works programme.

129. There is a large projected underspend on salaries for a number of the housing management teams due to vacancies remaining unfilled until organisational structures

are completed. Vacancy savings would total £387k if they remain unfilled for the remainder of the year. However, this is partly offset by additional agency costs totalling £183k (this includes two legal staff to undertake additional work relating to increased RTBs and buybacks).

130. For tenancy services, the projected underspend of £306k relates to salary underspends partly offset by increased agency costs in a number of teams. For example, caretaking savings arising from ten vacancies total £293k but there are also increased agency costs of £141k to cover these posts.

131. The original budget assumes savings of £2,448k as shown within the table below:

Table 23: HRA Savings 2015/16

Housing Revenue Account Savings	2015/16 £'000
Housing Management	(650)
Responsive Maintenance	(123)
Planned Maintenance	(675)
Repairs & Planned	(1,000)
Total Housing Revenue Account Savings	(2,448)

132. The restructure of the housing service is still being completed but it is expected that the required 2015/16 savings will be met. The asset management and tenancy services teams are currently reorganising with savings expected to materialise through this process. However, the requirement to achieve £650k of management savings will be ensured through a zero based budgeting (ZBB) exercise to be undertaken over the next few weeks. This exercise will also evaluate all the recharges between the General Fund and the HRA to ensure they reflect work undertaken for the HRA and are budgeted correctly.

133. The responsive maintenance saving of £123k is still on target to be achieved. However, there are two areas where there may be a delay in realising savings:

134. Vehicle management and procurement is underway but only 15 of the intended 40 new repairs vehicles are currently active. It is envisaged that vehicle and plant management will realise the savings by year end.

135. The supply management chain has now been put in place and the impact will be monitored.

136. The £675k of planned maintenance savings have been allocated to budget headings and are expected to be realised.

137. There are further savings of £1,000k expected to be realised from the planned maintenance budget. These savings are currently being worked up into detailed proposals by the procurement team.

HRA Capital

138. The forecast outturn on the HRA Capital Programme is set out in the table below:

Table 24 - HRA Capital Expenditure

	Revised Budget 2015/16 £000	Forecast 2015/16 £000	Cost Variance Forecast vs Budget £000	Project Re-phasing £000	Total Project Budget 2015-2020 £000	Total Project Forecast 2015-2020 £000	Total Project Variance £000
Dwelling Components	7,750	6,330		(1,420)	34,355	34,355	
Estates / Blocks	2,643	1,977		(666)	10,117	10,117	
Welfare	2,600	2,100		(500)	9,500	9,500	
Other Projects	524	524		-	524	524	
Contingency	2,000	2,000		-	10,000	10,000	
Total Works to Stock	15,517	12,931		(2,586)	64,496	64,496	
Purchase & Repair	4,267	4,267			11,566	11,566	
New Build - General Needs	2,750	2,750			31,252	31,252	
New Build - RSL					5,400	5,400	
Supported Housing	9,104	1,500		(7,604)	39,737	39,737	
Land Appropriations	8,026	4,908		(3,118)	8,026	8,026	
Total Major Projects	24,147	13,425		(10,722)	95,981	95,981	
Former New Build Schemes	97	995	898		97	995	898
Total	39,761	27,351	898	(13,308)	160,574	161,472	898
Movement from Previous Month							

Works to Stock

139. The Works to Stock programme is forecasting a phasing underspend of £2,586k as numerous schemes will not be implemented this financial year.

- Dwelling Components - the forecast underspend of £1,420k is partly due to the kitchens and bathrooms programme being under review. There is also a projected underspend on roofing projects based on currently identified works.
- Estates and Block Renewal - the forecast underspend of £666k is due mainly to the level of identified works on lift replacements.
- Welfare - there is a forecast underspend of £500k around sheltered remodelling works as an element of the budget is not yet allocated.
- Other Projects - an amount of £524k has been re-phased into this year for further housing fleet vehicle purchases anticipated to be required.

Major Projects

140. Purchase and Repair Programme - eleven properties have currently been granted capital release totalling £2,260k. Of these releases, there have been five purchases at a cost of £981k with two other properties being withdrawn from the buyback process.
141. Council New Build General Needs Housing - external consultants have identified a number of potential developments which are under review. There is a degree of risk in implementing projects to utilise the budget fully this year.
142. Supported Housing Programme - works are planned to commence this year on two of the sites within the programme following detailed feasibility work. Further review of options is being undertaken on the other sites in the approved budget. As construction works will not commence until towards the end of the financial year at the earliest there is forecast re-phasing of £7,604k.
143. Land Appropriations - the current year forecast reflects re-phasing of £3,118k as not all sites are likely to be appropriated for supported housing this year.
144. The forecast overspend of £898k on former New Build schemes relates to contractual issues around the Triscott House development which have yet to be resolved. The dispute is going through arbitration which is a lengthy process and the outcome remains uncertain.

HRA Capital Receipts

145. There have been 21 Right to Buy sales of council dwellings for the year as at end of May 2015 for a total sales value of £2,358k and a total of 140 sales are forecast totalling approximately £14,000k in 2015/16.
146. The Council has signed an agreement with Department for Communities & Local Government to re-invest the proceeds in housing stock regeneration. This enables the Council to retain a higher level of receipts because of reduced pooling, however, the terms of the agreement stipulate that receipts must be spent or committed within three years or otherwise are returned to government with the addition of punitive interest. The revised General Needs housing programme for 2015-2020 approved by Cabinet in February has been phased to utilise these receipts within the allowed timescales.
147. The table below sets out the total level of retained receipts since the inception of the agreement:

Table 25 - Retained RTB Receipts

Period	Number of Sales	Retained Right to Buy Receipts Total (£'000)	Allowable Debt Provisional (£'000)	One for One Replacement Provisional (£'000)	Deadline for Commitment of 1 for 1 Receipts
2012/13 Q4 Actual	33	3,541	946	2,595	March 2016
2013/14 Q1 Actual	13	910	291	619	June 2016
2013/14 Q2 Actual	35	3,046	1,005	2,040	Sept 2016
2013/14 Q3 Actual	24	1,918	598	1,320	Dec 2016
2013/14 Q4 Actual	34	2,678	945	1,733	March 2017
2014/15 Q1 Actual	56	4,817	1,659	3,158	June 2017
2014/15 Q2 Actual	49	4,679	1,480	3,199	Sept 2017
2014/15 Q3 Actual	50	4,583	1,529	3,054	Dec 2017
2014/15 Q4 Actual	36	3,412	1,090	2,322	March 2018
Total Retained Receipts	330	29,584	9,543	20,040	

148. To 31 March 2015 there have been £29,584k retained Right to Buy receipts to be used for allowable debt purposes and one for one housing replacement of which £57k has been applied as capital financing. The first deadline is at the end of this financial year and provisionally requires £2,595k to be spent or committed by March 2016.
149. There is an additional £204k of allowable debt receipts from quarters 2&3 in 2012/13 before the RTB agreement was signed.
150. The use of retained Right to Buy receipts are limited by the regulations to the agreement to a maximum 30% of the cost of replacement housing although regulations also allow 50% of the cost of purchase and repairs expenditure to be financed from retained receipts however this is capped at 6.5% of the total level of receipts in that quarter. Therefore, in order to utilise the £2,595k retained receipts a minimum of £8,560k is required to be spent or committed on one for one replacement by the end of this financial year. There is a risk at this stage of this level not being achieved by March 2016.

Appendix D – GENERAL FUND CAPITAL PROGRAMME

151. As at Month 2 an underspend of £16,946k is reported on the £110,361k General Fund Capital Programme, with £508k cost variances and £16,438k slippage on project expenditure. The forecast outturn over the life of the 2015/16 to 2019/20 programme is £508k, principally related to underspends on completed schools projects which are discussed in the comprehensive Schools Capital Programme update included elsewhere on this agenda.
152. General Fund Capital Receipts of £13,551k are forecast for 2015/16, with total receipts to 2019/20 expected to reach £61,931k, representing a favourable variance of £26k against budget. Slippage of £12,389k in capital receipts originally forecast for 2015/16 is reported, with this shortfall expected to be recovered from 2016/17.
153. Overall, Prudential Borrowing required to support the 2015/16 to 2019/20 capital programme is forecast to exceed budget by £1,769k, with the favourable variances on expenditure and receipts being off-set by an adverse movement of £2,303k reported on 2015/16 Department for Education grant funding.

Capital Programme Overview

154. Table 26 below sets out the latest forecast outturn on General Fund capital projects, with project level detail contained in annexes A - C to this report. Forecasts for future years include capital projects and programmes of work approved by Cabinet and Council in February 2015.

Table 26 – General Fund Capital Programme Summary

	Original Budget 2015/16	Revised Budget 2015/16	Forecast 2015/16	Cost Variance Forecast vs Budget	Project Re-phasing	Total Project Budget 2015-2020	Total Project Forecast 2015-2020	Total Project Variance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Schools Programme	41,942	41,819	40,832	(576)	(411)	148,593	148,017	(576)
Main Programme	14,676	19,479	13,165	68	(6,382)	32,063	32,131	68
Programme of Works	18,228	24,214	23,014	-	(1,200)	74,001	74,001	-
Future Projects	20,178	22,798	14,353	-	(8,445)	74,655	74,655	-
Total Main Programme	95,024	108,310	91,364	(508)	(16,438)	329,312	328,804	(508)
General Contingency	1,500	1,500	1,500			7,500	7,500	-
Provision for Additional Schools Funding	551	551	551			28,929	28,929	-
Total Capital Programme	97,075	110,361	93,415	(508)	(16,438)	365,741	365,233	(508)

155. The revised budget has increased by £13,286k from the original budget as a result of £12,263k project expenditure being rephased from 2014/15 and acceptance of a

number of grants - including £715k Education Funding Agency support for Free School Meals and increases to Transport for London funding allocation.

156. The majority of the capital programme remains on budget, with a small number of variances accounting for the £508k variance reported at Month 2. The £576k underspend on the Schools Programme includes savings on professional fees, highways works and final accounts for the Phase 3 projects completing in September 2014 and September 2015. Further detail on this programme is presented to Cabinet in a separate report on this agenda.

157. The £68k pressure on the main programme is driven by a minor £37k overspend on the £4,498k Central Library Refurbishment, £17k pressure in relation to remedial works on the completed Hayes End Library Development and £14k pressures across a number of smaller projects.

158. In addition, slippage of £16,438k is reported across the capital programme, including larger amounts on the Theatre development within Future Projects and the Yiewsley Health Centre development within the main programme.

159. At present there have been no calls on the £7,500k General Contingency within the 2015/16 - 2019/20 programme, although it is anticipated that the full £28,929k provision for additional school expansions will be required in full to manage growing demand for schools places within the borough.

Capital Financing

160. Table 27 below outlines the latest financing projections for the capital programme, with in-year and medium-term pressures of £3,908k and £1,769k respectively reported on Prudential Borrowing, due to the deferral of capital receipts and a shortfall in assumed grant income.

Table 27 – General Fund Capital Programme Summary

	Revised Budget 2015/16 £'000	Forecast 2015/16 £'000	Variance £'000	Total Financing Budget 2015-2020 £'000	Total Financing Forecast 2015-2020 £'000	Total Variance £'000
Council Resource Requirement	81,157	67,874	(13,283)	211,802	213,597	1,795
Financed by						
Capital Receipts	25,940	13,551	(12,389)	61,905	61,931	26
CIL	2,500	2,000	(500)	20,000	20,000	-
Prudential Borrowing	52,717	52,323	(394)	129,897	131,666	1,769
Total Council Resources	81,157	67,874	(13,283)	211,802	213,597	1,795
Grants & Contributions	29,204	25,542	(3,662)	153,939	151,636	(2,303)
Total Programme	110,361	93,415	(16,946)	365,741	365,233	(508)

161. Forecast General Fund Capital Receipts are £12,291k for 2015/16. There are potential identified disposals for the year totalling £25,940k however there is a significant degree of risk around the timing of these receipts which is reflected in the forecast. Actual capital receipts achieved this year as at the end of May total £3,913k as three sales have been completed recently.
162. The forecast for Community Infrastructure Levy (CIL) is £2,000k for this year. Although CIL liabilities issued since inception on 1 August 2014 are substantially higher than this, actual receipts will depend on CIL liable developments proceeding so there is some risk around the timing of CIL income potentially falling into future years which is reflected in an adverse phasing variance of £500k. Net CIL income after administration fees are £81k at the end of May.
163. On grants there is an adverse variance of £2,303k which is due to the shortfall in actual Basic Needs and Capital Maintenance grant allocations for 2015/16 announced by the Department for Education since the budget was approved in February. This grant funding was allocated to the Schools Expansions programme and consequently results in a potential increase in prudential borrowing this year to meet the shortfall. There remains risk around grant funding for future years of the Schools programme, however, the needs in terms of school places requirements remain in continual review.

Appendix E – Treasury Management Report as at 31 May 2015

Table 28 - Outstanding Deposits - Average Rate of Return on Deposits: 0.49%

	Actual (£m)	Actual (%)	Bench-mark (%)
Up to 1 Month	55.2	37.46	40.00
1-2 Months	18.0	12.21	10.00
2-3 Months	10.0	6.78	5.00
3-6 Months	41.0	27.82	25.00
6-9 Months	10.0	6.78	5.00
9-12 Months	7.4	5.02	10.00
12-18 Months	5.0	3.39	5.00
18-24 Months	0.0	0.00	0.00
Subtotal	146.6	99.46	100.00
Unpaid Maturities	0.8	0.54	0.00
Total	147.4	100.00	100.00

164. With the exception of the unpaid Heritable investments, deposits are held with UK or overseas institutions, all of which hold at a minimum a Fitch or lowest equivalent of A-long-term credit rating. UK deposits are currently held with the following institutions; BlackRock MMF, Deutsche MMF, Goldman Sachs MMF, Insight MMF Insight Pooled fund, Standard Life MMF, Standard Life Pooled fund, Legal & General MMF, Lloyds, PSDF MMF, Santander UK, HSBC, Nationwide Building Society, Coventry Building Society, Goldman Sachs, Aberdeen CC, Birmingham CC, Blaenau Gwent CBC, Broxtowe BC, Cornwall CC, Highland Council, Lancashire CC, Moray Council, and Wolverhampton CC. The Council also holds two Certificates of Deposit, one with each Standard Chartered and Barclays. Overseas deposits are held with Svenska Handelsbanken, Development Bank of Singapore (DBS) and Oversea China Banking Corporation (OCBC).

165. During the month fixed-term deposits continued to mature in line with cashflow requirements. As cash-flow allowed, a six month deposit was placed with Highland Council and a ten month deposit with Lancashire CC. To reduce credit exposure, two further overseas banks were added to the counterparty list and six month deposits were placed with DBS and OCBC. With a focus on lengthening duration, two Pooled accounts were opened and funds are now in place in the Standard Life Sterling Short Duration Cash Fund and the Insight Liquidity Plus Fund. To maintain liquidity all other surplus cash was placed in instant access accounts and shorter term deposits.

Table 29 - Outstanding Debt - Average Interest Rate on Debt: 3.01%

	Actual (£m)	Actual (%)
General Fund		
PWLB	67.49	20.67
Long-Term Market	15.00	4.59
HRA		
PWLB	211.07	64.63
Long-Term Market	33.00	10.11
Total	326.56	100.00

166. There were no scheduled debt repayments or early debt repayment opportunities during May, neither were there any breaches of the prudential indicators or non-compliance with the treasury management policy and practices.

Ongoing Strategy

167. In order to maintain liquidity for day-to-day business operations, short-term balances will either be placed in instant access accounts or short term deposits of up to 3 months. Opportunities to place longer term deposits will be monitored.

Appendix F – Consultancy and agency assignments over £50k approved under delegated authority

168. The following Agency staff costing over £50k have been approved under delegated powers by the Chief Executive in consultation with the Leader and are reported here for information.

Table 30 - Consultancy and agency assignments

Post Title	Original Start Date	Approved From	Proposed End Date	Previous Approval £'000	Approved £'000	Total £'000
Administration & Finance						
Conveyancer	21-Dec-14	12-Jul-15	17-Jan-16	25	27	52
Senior Accountant	22-Sep-14	26-Jun-15	26-Sep-15	58	19	77
ASC Strategic Development and Market Manager	29/9/14	29-Jun-15	30-Sep-15	95	38	133
Senior Category Manager, Development and Assets	11/5/15	10-Aug-15	06-Nov-15	30	30	60
Residents Services (General Fund)						
Electrical Services Officer	15/07/2013	01/06/2015	24/07/2015	128	8	136
Programme Co-ordinator	22/04/2013	29/06/2015	27/09/2015	124	11	135
Senior Project Engineer	07/04/2013	08/06/2015	04/09/2015	123	17	140
Project Manager	14/07/2013	15/06/2015	13/09/2015	216	24	240
DFG Adaptations Officer	04/01/2015	06/06/2015	04/09/2015	78	14	92
Legal Assistant	25/11/2012	06/06/2015	04/12/2015	100	21	121
NRSWA certified operative	19/08/2013	15/06/2015	11/09/2015	40	13	53
Plasterer	10/07/2013	05/07/2015	02/10/2015	55	9	64
Plasterer	10/06/2013	03/07/2015	02/10/2015	62	9	71
Plumber	13/06/2013	29/06/2015	25/09/2015	57	9	66
Mobile Caretaker (x3)	30/08/2013	01/07/2015	30/06/2015	142	12	154
Senior Project Engineer	03/06/2015	29/06/2015	26/09/2015	109	19	128
Lighting Technicians	23/06/2014	22/06/2015	18/09/2015	49	15	64
FM Soft Services Manager	17/03/2014	22/06/2015	18/09/2015	80	16	96
Highway Engineer	08/12/2014	15/06/2015	11/12/2015	33	34	67
Housing Lawyer	13-Jul-14	03-Jan-15	30-Jun-15	24	27	51

Post Title	Original Start Date	Approved From	Proposed End Date	Previous Approval £'000	Approved £'000	Total £'000
Children & Young People's Services						
Team Manager (previously DTM)	28-Jun-11	06-Jul-15	02-Aug-15	140	7	147
Social Worker	19-Dec-11	06-Jul-15	02-Aug-15	146	6	152
Social Worker	19-Dec-11	06-Jul-15	02-Aug-15	151	6	157
Social Worker	19-Dec-11	06-Jul-15	02-Aug-15	175	6	180
Social Worker	19-Dec-11	06-Jul-15	02-Aug-15	195	6	201
Social Worker	06-Jan-12	06-Jul-15	02-Aug-15	192	6	198
Social Worker	05-Mar-12	06-Jul-15	02-Aug-15	182	6	188
Social Worker	05-Mar-12	06-Jul-15	02-Aug-15	202	6	207
Team Manager (previously DTM)	05-Mar-12	06-Jul-15	02-Aug-15	233	7	240
Social Worker	30-Apr-12	06-Jul-15	02-Aug-15	86	6	92
Social Worker	01-Jan-13	06-Jul-15	02-Aug-15	122	5	127
Social Worker	01-Jan-13	06-Jul-15	02-Aug-15	134	6	140
Team Manager (previously DTM)	01-Jan-13	06-Jul-15	02-Aug-15	147	6	153
Team Manager (previously DTM)	01-Jan-13	06-Jul-15	02-Aug-15	160	7	167
Social Worker	01-Apr-13	06-Jul-15	02-Aug-15	116	6	121
Social Worker	01-Apr-13	06-Jul-15	02-Aug-15	117	6	123
Social Worker	01-Apr-13	06-Jul-15	02-Aug-15	123	6	129
Residential and Placements Manager	01-Jul-13	06-Jul-15	02-Aug-15	173	8	181
Team Manager	09-Sep-13	06-Jul-15	02-Aug-15	101	7	108
Social Worker	01-Oct-13	06-Jul-15	02-Aug-15	53	5	58
Education Key Worker	14-Oct-13	06-Jul-15	02-Aug-15	66	3	69
Social Worker	02-Dec-13	06-Jul-15	02-Aug-15	83	6	89
Social Worker	23-Dec-13	06-Jul-15	02-Aug-15	74	6	80
MASH Manager	13-Jan-14	06-Jul-15	02-Aug-15	81	10	92
Social Worker	20-Jan-14	06-Jul-15	02-Aug-15	62	5	67
Social Worker	03-Mar-14	06-Jul-15	02-Aug-15	69	4	73
Social Worker	05-Mar-14	06-Jul-15	02-Aug-15	48	6	54
Social Worker	05-Mar-14	06-Jul-15	02-Aug-15	108	6	114
Independent Reviewing Service Manager	07-Apr-14	06-Jul-15	02-Aug-15	102	11	112
Case Progression Manager	07-Apr-14	06-Jul-15	02-Aug-15	114	7	121
Quality Assurance Auditor (Social Work Cases)	08-May-14	06-Jul-15	02-Aug-15	70	7	77
Social Worker	08-May-14	06-Jul-15	02-Aug-15	76	6	82

Post Title	Original Start Date	Approved From	Proposed End Date	Previous Approval £'000	Approved £'000	Total £'000
Independent Reviewing Officer	12-May-14	06-Jul-15	02-Aug-15	83	7	89
Social Worker	13-May-14	06-Jul-15	02-Aug-15	53	5	58
Social Worker	27-May-14	06-Jul-15	02-Aug-15	68	5	73
Independent Reviewing Officer	27-May-14	06-Jul-15	02-Aug-15	82	7	89
Team Manager (previously DTM)	02-Jun-14	06-Jul-15	02-Aug-15	75	7	82
Social Worker	06-Jun-14	06-Jul-15	02-Aug-15	65	6	71
Social Worker	19-Jun-14	06-Jul-15	02-Aug-15	54	6	60
Social Worker	19-Jun-14	06-Jul-15	02-Aug-15	75	6	81
Team Manager (previously DTM)	01-Jul-14	06-Jul-15	02-Aug-15	73	6	78
Service Manager Children in Care	07-Jul-14	06-Jul-15	02-Aug-15	132	12	144
LSCB Business Manager	09-Jul-14	06-Jul-15	02-Aug-15	85	7	93
Team Manager (previously DTM)	31-Jul-14	06-Jul-15	02-Aug-15	53	6	59
Social Worker	04-Aug-14	06-Jul-15	02-Aug-15	68	6	74
Social Worker	11-Aug-14	06-Jul-15	02-Aug-15	65	5	70
Social Worker	19-Aug-14	06-Jul-15	02-Aug-15	72	5	77
Corporate Parenting Manager	01-Sep-14	06-Jul-15	02-Aug-15	63	6	69
Team Manager	01-Sep-14	06-Jul-15	02-Aug-15	64	7	70
Social Worker	05-Sep-14	06-Jul-15	02-Aug-15	59	6	65
Social Worker	17-Sep-14	06-Jul-15	02-Aug-15	50	6	56
Team Manager - MASH	28-Sep-14	06-Jul-15	02-Aug-15	63	7	70
Social Worker	30-Sep-14	06-Jul-15	02-Aug-15	55	6	61
Team Manager (previously DTM)	30-Sep-14	06-Jul-15	02-Aug-15	59	6	65
Team Manager (previously DTM)	27-Oct-14	06-Jul-15	02-Aug-15	44	6	50
Social Worker	27-Oct-14	06-Jul-15	02-Aug-15	51	6	57
Child Sexual Exploitation (CSE) Co-ordinator	03-Nov-14	06-Jul-15	02-Aug-15	56	6	63
Social Worker	07-Nov-14	06-Jul-15	02-Aug-15	45	6	51
SW Learning & Development Mentor	17-Nov-14	06-Jul-15	02-Aug-15	48	6	54
Service Manager Fostering and Adoption	10-Dec-14	06-Jul-15	02-Aug-15	76	11	88

Appendix G – PLANNING GIFT FUNDING

169. Recommendation 8 to this report seeks authority to accept the following gift funding contributions from developers within the Borough.

170. A. Unitair, Great Southwest Road, Heathrow- SEGRO- £15,000

Outline planning permission was granted at this site for the erection of circa 15,000sqm of B1c/B2/B8 floorspace. SEGRO are now seeking to develop it. Given the tight time frame for a decision to be made, it is essential to have dedicated staff to process the applications.

171. B. Bridge House, Oxford Road, Uxbridge - Legal and General- £23,500

The gift funding from Legal and General relates to processing of a planning application to redevelop the existing Bridge House site to provide office floorspace with associated car parking.

172. C. Northwood Station, Northwood- TfL- £52,537.50

The gift funding from TfL relates to a potential planning application to redevelop the station and surrounding land to provide a mixed use scheme.

173. D. Heathrow Point, 234 Bath Road, Heathrow - Nine Heathrow Ventures Ltd - £15,000 (Change of use from office to hotel)

The gift funding relates to an application recently submitted to change the use of an existing office building on the Bath Road into a 159 bed hotel. Given the tight time frame for a decision to be made it would be beneficial to have dedicated staff to process the application.

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SCHOOL CAPITAL PROGRAMME - UPDATE

Cabinet Members	Councillor David Simmonds CBE Councillor Jonathan Bianco
Cabinet Portfolios	Deputy Leader of the Council / Education & Children's Services Finance, Property & Business Services
Officer Contact	Bobby Finch, Residents Services
Papers with report	Appendix 1: Summary of school construction projects

HEADLINE INFORMATION

Summary	This report provides an update on the primary and secondary school expansions, the school condition works programme and other school capital works.
Contribution to our plans and strategies	<p>Putting our Residents First: <i>Our Built Environment; Our People; Financial Management</i></p> <p>Investment in schools to adequately address the impact of the population increase within the London Borough of Hillingdon on existing school places. This project also forms part of the Hillingdon Improvement Programme.</p>
Financial Cost	<p>As at Month 2 the Schools Capital Programme budgets have been adjusted to reflect forecast spend following 2014/15 cost underspends and rephasing adjustments. The forecast of the existing Primary Schools Capital Programme is £141,747k, inclusive of £816k for Special Resources Provision.</p> <p>An additional £219k has been allocated for the Hearing Impairment Resource Base at Vyners School. A further £13,500k is forecast for new Primary School Expansions (Phase 4). The Secondary Schools Expansions and Replacement forecast is £150,000k.</p>
Relevant Policy Overview Committee	Children, Young People and Learning
Ward(s) affected	All wards.

RECOMMENDATIONS

That Cabinet:

- 1. Note the progress made with primary and secondary school expansions, the school condition programme and other school capital projects.**
- 2. Delegate to the Deputy Chief Executive and Corporate Director of Residents Services, in consultation with the Leader of the Council and Cabinet Member for Finance, Property and Business Services the authority to proceed with the preferred design option for each individual project in the Phase 4 of the Primary School Expansion Programme.**

INFORMATION

1. PRIMARY SCHOOLS

School Places Forecast

The demand for school places in Hillingdon has been rising in recent years and is forecast to continue to rise in line with national and London-wide predictions. Demand for reception places at primary school level is being driven by rising birth rates which the GLA are now predicting to be slightly higher than they previously forecast. Demand for new school places is arising due to new house building and families moving into the Borough. Overall, at primary school level, the need for additional school places has largely been met by the successful school places expansion programme to date, with some residual excess demand forecast in the north of the borough. Work is now well underway on the next refresh of the pupil forecast.

Phase 2 - Permanent Primary Schools Expansions

Phase 2 of the Primary School Expansion Programme permanently expanded 18 schools and added a bulge year to an additional school which totals 19 schools. These expansion works have been completed with only remedial works at Glebe Primary School outstanding. Appendix 1 provides a brief summary of the works carried out for each scheme as well as the current status.

Glebe Primary School

The main construction works at the school have now been completed. The remaining substantial remedial works required on the new school building which have been started are currently planned to be completed by the end the school summer holiday.

Phase 3 - New Primary Schools

St Martin's CoE Primary School

The construction works are close to be finished with a scheduled completion date of the first week in August. The building will then be handed over to the school the following week. A 'topping out' ceremony attended by representatives from the Frays Academy Trust, project team, contractor, senior council officers and Cabinet Members was held on 7 July.

Phase 4 - Primary School Expansions

The latest forecast for school places indicates a residual need for up to three additional forms of entry in primary schools in the north of the Borough over the next 2-3 years. This additional demand is largely a result of pupils from outside the Borough travelling to primary schools in Hillingdon (an equivalent of 2 FE from Harrow travelling to schools in the East Ruislip area and 1 FE from Hertfordshire attending schools in the Northwood area).

To mitigate this remaining risk, officers have progressed discussions with schools regarding expansion. Site investigation surveys on the school identified for potential expansion have been commissioned and the recently appointed consultants have started to look at potential expansion feasibility design options for each of these sites.

Following the completion of these feasibility studies, approval will be required to proceed with the preferred design options for each of the potential sites. Recommendation 2 seeks approval for this decision to be delegated to the Deputy Chief Executive and Director of Residents Services, in consultation with the Leader of the Council and Cabinet Member for Finance, Property and Business Services.

The actual final decision to expand the schools will be made in accordance with the School Organisation Regulations 2013 which is described in the '*Consultation Carried Out or Required*' section later in this report.

2. SPECIAL EDUCATIONAL NEEDS (SEN)

Vyners School Hearing Impairment Resource Base (HIRB) Expansion

This project consists of the relocation of the HIRB to a larger area within the existing school which will be remodelled. The function currently occupying this space will be moved in to the modular classroom unit which will be installed on the site. These works scheduled to be completed for the start of the new school year September 2015.

Two separate contracts, one for the installation of the modular classroom and the other for the remodelling works have been awarded and the construction works have commenced.

3. SECONDARY SCHOOLS

School Places Forecast

The rising demand for school places is now moving into secondary schools. The updated forecast shows a longer-term sustained pressure for additional secondary school places rising to 27 additional forms of entry over the next 8 years, with pressure for places commencing from 2016/17 onwards as predicted in previous forecasts. In particular, the forecast need for additional secondary school places is higher in the north / central parts of the Borough, which is where there tends to be higher numbers of pupils living outside the Borough travelling to a Hillingdon school.

Site investigation surveys have been commissioned on schools which may be expanded and recommendations for meeting future place needs are being finalised.

Priority Schools Building Programme (PSBP)

The school buildings at Abbotsfield, Swakeleys and Northwood Secondary Schools require improvement and have attracted funding from the Priority School Building Programme for all three to be rebuilt. Abbotsfield and Swakeleys rebuilds are being managed by the Education Funding Agency and Northwood is being managed directly by the Council.

Northwood School

The construction works on this project are progressing well. The piling and ground works are well underway and will be completed in the coming weeks. Cabinet Member approval has been received which allows for the fourth package of early works to commence.

There are some cost pressures being experienced on this project that have resulted in design reviews and value engineering sessions being held with the consultants and contractor. An updated financial report is currently in the process of being produced.

Abbotsfield and Swakeleys Schools

Officers are working closely with the Department for Education (DfE) to support the re-build of these schools. The DfE have advised that the project moved into the design phase during November 2014 with a planning application expected shortly.

Officers are continuing to work with the EFA on the project. The EFA will submit a planning application in the near future. It is anticipated that the project will be completed in 2017.

4. SCHOOLS CONDITION PROGRAMME

Preparation for the 2015/2016 and 2016/2017 Programmes

The appointed consultants are currently taking forward the design work necessary to compile tender packages and procure the works contractor. The reports on each project are due back during July 2015. Some of the feasibility reports relating to the heating and larger roofing schemes have required further consideration at feasibility stage prior to developing the detailed design.

When the works have been tendered and the costs have been finalised, including the Schools agreement to contributions, the projects to be progressed this year will be finalised based upon their priority.

Whitehall Junior School

A pre start meeting with the appointed contractor and the school has taken place and the works are scheduled to start at the beginning of the school summer holiday.

5. OTHER SCHOOL PROJECTS

Deanesfield Primary School

The project consists of the installation of a double modular classroom unit which will be used as a Breakfast and After school Club. The contract to carry out this work has been awarded and works have commenced on site.

Bourne Primary School

To meet the curriculum needs of Bourne Primary School, officers are making preparations for the proposed installation of an additional modular classroom unit at the Bourne Primary School site. This unit will be installed during August 2015.

6. FINANCIAL IMPLICATIONS

Month 2 Monitoring - Financial Summary

The Schools capital programme budget is £306,042k up to 2019/20 including prior year expenditure as set out in the table below:

Priority Schools Capital Programme	Prior Years	2015/16	2016/17	2017/18	2018/19	2019/20	Total	Forecast	Variance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Minor Works	980	174	0	0	0	0	1,154	1,154	0
Phase 1	22,549	642	0	0	0	0	23,191	23,191	0
Phase 1A (Inc. Rosedale)	2,085	0	0	0	0	0	2,085	2,085	0
Phase 2	74,711	5,358	0	0	0	0	80,069	80,219	150
Phase 2A	2,885	0	0	0	0	0	2,885	2,885	0
Phase 3	22,540	6,841	135	0	0	0	29,516	28,770	(746)
Special Resources Prov.	759	37	0	0	0	0	796	816	20
Phase 3A	719	1,908	0	0	0	0	2,627	2,627	0
Vyners (HIRB)	0	219	0	0	0	0	219	219	0
Phase 4 (New Primary Schools Expansions)	0	1,710	4,645	4,105	2,760	280	13,500	13,500	0
Secondary Schools (Expansions)	84	2,604	10,750	21,000	21,500	20,962	76,900	76,900	0
Secondary Schools (Replacement)	1,207	22,326	19,012	1,625			44,170	44,170	0
Secondary Schools (Provision)	0	551	3,395	7,341	9,590	8,053	28,930	28,930	0
Total Expenditure	128,519	42,370	37,937	34,071	33,850	29,295	306,042	305,466	(576)

The Schools Expansion programme is funded from a combination of EFA grants, S106 contributions and prudential borrowing. The forecast position as at month 2 is an under spend of £576k on revised budget predominantly stemming from the Phase 3 Primary Schools Expansions programme. Details of the financial performance of the programme are set out below.

Phase 1 & 2 - Permanent Primary Schools Expansions

The main works on all eight schools within phase 1 of the primary school expansions have been completed at an estimated total cost of £23,191k. The remaining budget will be consumed once final accounts have been received from the main contractor and negotiations undertaken.

With the exception of remedial works at 1 school the phase 2 expansions have now been completed. The remedial works at Glebe Primary School remain outstanding although this is now expected to be completed by the end of the schools summer holiday. It is anticipated that the costs of these works will remain within the existing Glebe School budget.

Hermitage Primary School - an over spend of £150k has arisen on final account due to extension of time claims and MUGA costs that cannot be contained within the contingency.

Phase 3 - New Primary Schools

John Locke and Lake Farm Academies have both reached practical completion. The construction of St Martin's Primary School is expected to be delivered on schedule and works continue to progress according to project milestones. The school will be delivered within its existing budget with a forecast underspend of £470k resulting from a combination of efficiencies gained from CCT fees and savings with respect to highway works. There are further savings of £276k on both John Locke and Lake Farm Academy schemes following effective final account negotiations.

Phase 4 - Primary School Expansion

The indicated need for up to three additional forms of entry in primary schools is expected to be met through some provision of additional bulge year classes. This will be financed from the remaining £1,697k budget with respect to the original phase 3a temporaries which remains uncommitted. The uncommitted sum has been adjusted for the £41k virement to the Vyners HIRB project to meet increased costs in addition to the £27k overspend anticipated with respect to the installation of a modular classroom at Deanesfield Primary School, as discussed later in this section.

Any future permanent expansions will be funded through the phase 4 new primary expansions budget of £13,500k. The budget had been set for expansions only. Feasibility studies are currently being undertaken by the appointed consultants to explore all options available with regards to meeting this additional pupil places pressure and any cost implications resulting from the feasibilities will be communicated in future programme update reports. Recommendation 2 seeks delegated approval to proceed with the preferred design option for the phase 4 expansions.

Special Educational Needs (SEN)

The expansion of the Specialist Resource Provision (SRP) at Vyners Secondary School will be funded from the budget of £219k allocated to the project. The facility is a Hearing Impaired Resource Base and the proposal is for an expansion from 16 SRP pupils to 23 SRP pupils. The chosen contractors have been procured to undertake the remodelling works and the installation of the modular classroom with works having already commenced.

Special Resource Provision

A forecast over spend of £20k has arisen at Cherry Lane around the remodelling of the vacant library area into an SRP unit.

Secondary Schools Expansions

The funding for the feasibility works for the secondary schools will be met from the Secondary Schools Expansion budget. Following the initial detailed feasibility on sites so far identified suitable for expansion, officers are now finalising the recommendations and options available to meet the future demand need.

The revised budget for Secondary School Expansions is £76,900k. The financial position against budget will become clearer once the findings of the aforementioned feasibility studies have been assessed and direction has been received with respect to the most economically viable options to progress.

The forecast demand beyond 2019/20 remains uncertain and volatile but will be reviewed annually as part of the pupil placement planning forecast and considered for accordingly as part of future MTFF strategies.

Secondary Schools Replacement

The secondary schools replacement budget of £44,170k provides for the replacement of Abbotsfield and Swakeleys Secondary Schools and Northwood School.

Northwood School - the project is managed internally and has been allocated a budget of £31,100k to provide for 6 forms of entry. Works continue to progress to plan with early work packages undertaken and completed. The most recent work packages with respect to Ground works has revealed emerging risks. Less than favourable ground conditions combined with drainage abnormalities have led to the need for additional engineering solutions above and beyond the approved cost plan. Officers will continue to optimise and value engineer the design programme as far as possible to negate this impact, however the risk will be quantifiable once a full evaluation has been undertaken.

Abbotsfield School - the Education Funding Agency (EFA) are managing the re-building of this school through the Priority Schools Building Programme (PSBP) with the Council making a contribution of £13,070k covering an additional 2.5 forms of entry, FF&E, vocational centre and additional SRP provision. The delivery of the project is running behind schedule although the existing school should be able to accept additional pupils in September 2016. The school is expected to be ready in 2017.

Other School Projects

The provision of a modular classroom at Bourne Primary School will be funded from the £138k budget that was released from contingency by Cabinet in March 2015. Works are expected to complete during the school summer holidays.

At Deanesfield Primary School there is a requirement to install a double modular classroom unit to be used for a breakfast/after school club. Estimations suggest that the budgetary requirement is £195k which is a £27k increase on previous assessments. This will be funded from the remaining Phase 3a expansions budget of £1,892k which is currently unallocated leaving a balance of £1,697k. Contractors have now been appointed and works commenced on site.

Free School Meals

Schools are required to offer infant school children (from reception to year 2 inclusive) with a universal free school meal. Works at three schools will be implemented by September 2015 totalling £477k. Officers are finalising recommendations for the recently awarded grant funding of £715k which requires to be utilised by March 2016.

Schools Condition Programme

The 2015/16 schools condition programme budget is £3,439k inclusive of £560k slippage carried forward from 2014/15. The programme has been agreed with 8 priority schemes identified for condition works.

The projects will commence subject to attaining agreement from the schools with respect to their level of contribution towards the works in line with policy. Contributions have now been calculated and officers are currently in the process of liaising with schools in obtaining formal agreement.

The appointed consultants are currently developing school designs for the numerous sites, to be progressed upon agreement from all parties.

COMMENTS OF POLICY OVERVIEW COMMITTEE(S)

None at this stage.

EFFECT ON RESIDENTS, SERVICE USERS AND COMMUNITIES

Completion of both the temporary and permanent phases of the programme will result in additional school places needed for local children, which the Council has a statutory duty to provide.

Consultation Carried Out or Required

Changes made under the 2013 School Organisation Regulations mean that, subject to certain conditions (which include securing capital funding and planning consent), governing bodies of all categories of maintained schools are able to enlarge their premises (expand) without a statutory process. However, the statutory guidance states an expectation that parents and other interested parties are consulted. The local authority can also propose such a change, in which case a statutory process is required.

A statutory process (involving publication of proposals, statutory consultation and a Cabinet or Cabinet Member decision) is required for proposals to establish special educational needs provision (e.g. specialist resourced provision - SRP). Therefore, this will be needed if any expansion projects also include an SRP.

Under the School Admissions Code, the local authority as admissions authority for community schools must consult at least the school governing body on the admission number. Foundation schools are their own admissions authority and set their own admission number.

CORPORATE IMPLICATIONS

Corporate Property and Construction

Corporate Property and Construction authored this report.

Corporate Finance

Corporate Finance has reviewed this report and concurs with the financial implications contained therein, noting that investment in the borough's schools remains at the heart of the Council's capital programme. Assuming that budgeted grant income is secured, sufficient monies have

been earmarked within the Council's Medium Term Financial Forecast to finance on-going revenue financing costs associated with the use of Prudential Borrowing to support this level of investment to 2019/20. Risks noted within this report, the outlook for external funding and demand for school places continue to be closely monitored, with any relevant financial implications being captured through the Council's budget planning processes.

Legal

The Borough Solicitor confirms that there are no specific legal implications arising from this report. Legal advice is provided whenever necessary, in particular cases, to ensure that the Council's Interests are protected.

BACKGROUND PAPERS

NIL

APPENDIX 1

Summary of school construction projects

School Name	Summary of Works	Status
PHASE 2		
Harefield Infants	Single storey extension to a Year 2 classroom, replacement of windows and external walls in the reception, together with associated works.	All works complete
Harefield Junior	Construction of a single-storey classroom to accommodate two classrooms and associated facilities	All works complete
Field End Infants	1 FE Expansion: Construction of new single storey building and associated facilities.	All works complete
Field End Junior	1 FE Expansion: Construction of single storey building and associated facilities.	All works complete
Bourne Primary	(Bulge Year) Single storey extension to existing school to provide two new classrooms with associated facilities.	All works complete
Highfield Primary	1 FE Expansion: Construction of a two storey building and associated facilities.	All works complete
Ryefield Primary	1 FE Expansion: Construction of a single storey building, a two storey block and associated facilities.	All works complete
Heathrow Primary	0.5 FE Expansion: Part demolition of the existing building, construction of a two storey extension and associated facilities	All works complete
Rabbsfarm Primary	1 FE Expansion: Demolition of existing school and construction of a new 3 FE school including nursery.	All works complete
Ruislip Gardens	1 FE Expansion: Construction of a new two storey extension and associated facilities.	All works complete
West Drayton Primary	1 FE Expansion: Construction of two storey building and associated facilities.	All works complete
Pinkwell Primary	1 FE Expansion: Construction of a standalone classroom block and associated facilities.	All works complete
Rosedale Primary	Demolition of school sports hall/gymnasium and construction of a new 2 FE school including nursery.	All works complete
Wood End Primary	1 FE Expansion: Construction of 2 stand alone buildings and associated facilities.	All works complete
Harlyn Primary	1 FE Expansion: Construction of part two storey/part single storey extension to existing school and a standalone two storey classroom block.	All works complete
Hillingdon Primary	1 FE Expansion: Part demolition of existing school and construction of a new two storey classroom block and associated facilities.	All works complete
Cherry Lane Primary	1 FE Expansion: Construction of a two storey building and associated facilities	All works complete
Hermitage Primary	1 FE Expansion: Demolition of existing school and construction of a new 2 FE school including nursery.	All works complete
Glebe Primary	1 FE Expansion: Demolition of existing school and construction of a new 3 FE school including nursery.	Remedial works will be completed in 2015
PHASE 3		
Lake Farm site	New 3 FE primary school, nursery, a Special Resource Provision unit and other associated facilities.	All works complete
St Andrews Park site	New 3 FE primary school, nursery, a Special Resource Provision unit and other associated facilities.	All works complete
St Martin's CoE Primary School	New 3 FE Primary School and other associated facilities.	Works will be completed in 2015
PHASE 4		
Primary Schools	Expansions: Potential Expansion of 3 schools.	Feasibility
SECONDARY SCHOOLS		
Northwood School	1 FE Expansion: Demolition of existing school and construction of a new 6 FE school.	Works will be completed in 2016
Abbotsfield School	2.5 FE Expansion: Demolition of existing school and construction of a new 9 FE school.	Works will be completed in 2017
Swakeleys School for Girls	2 FE Expansion: Demolition of existing school and construction of a new 8 FE school.	Works will be completed in 2017

School Name	Summary of Works	Status
OTHER PROJECTS		
Deanesfield Primary School	Installation of a double modular unit for use as a Breakfast and After School club	Works will be completed in 2015
Bourne Primary School	Installation of a single modular classroom unit.	Works will be completed in 2015
Vyners School	Relocation of the Hearing Impairment Resource Base Specialist Resource Provision to a larger area within the existing school which will be remodelled	Works will be completed in 2015
	Installation of a single modular classroom unit.	Works will be completed in 2015

Note: A Form of Entry (FE) is a group of 30 pupils. Expanding a school by 1 FE will add accommodation sufficient for 30 additional pupils to every year group.

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